

ORIGINAL

NHC HealthCare
Cookeville

CN1604-014

April 13, 2016

VIA: Hand Delivery

Ms. Melanie Hill, Executive Director
State of Tennessee
Health Services & Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: Ten (10) bed nursing home addition and renovation of NHC HealthCare, Cookeville, an existing licensed 94 bed nursing home located in Putnam County, owned by National HealthCare Corporation.

Dear Ms. Hill:

Enclosed please find the required check of \$10,790.33 made payable to the Health Services and Development Agency, to cover the filing fee for the referenced request. The fee has been calculated based on the total project cost of \$4,795,700/1,000 times \$2.25 which equals \$10,790.33, but in no case shall the fee be less than \$3,000.00 or more than \$45,000.00.

If you require any additional information or need clarification on any of the supplied material, please do not hesitate to contact me at 615-890-2020.

Sincerely,

NATIONAL HEALTHCARE CORPORATION



Bruce K. Duncan
Assistant Vice President, Planning/Licensure & **Authorized Representative for
National HealthCare Corporation**

Enclosure

CERTIFICATE OF NEED APPLICATION

APPLICANT: NATIONAL HEALTH CORPORATION

**AUTHORIZED
REPRESENTATIVE:** BRUCE K. DUNCAN
NATIONAL HEALTHCARE CORPORATION
100 VINE STREET, 12TH FLOOR
MURFREESBORO, TN 37130
615-890-2020

PROJECT: The Addition of 10 SNF Medicare Beds to the Existing 94
bed Nursing Home called, NHC HealthCare, Cookeville,
located in Putnam County, Tennessee.

Submitted to
the State of Tennessee
Health Services & Development Agency
500 James Robertson Parkway
Suite 760
Nashville, TN 37219

April 13, 2016

SECTION A:

1.	<u>Name of Facility, Agency, or Institution</u> NHC HealthCare, Cookeville Name			
	815 South Walnut Ave Street or Route	Putnam County		
	Cookeville City	Tennessee State	38501 Zip Code	
2.	<u>Contact Person Available for Responses to Questions</u> Bruce K. Duncan Name			
	National HealthCare Corporation Company Name		Assistant Vice President Title	
			bduncan@nhccare.com Email address	
	100 Vine Street Street or Route	Murfreesboro City	TN State	37130 Zip Code
	Employee Association with Owner	615-890-2020 Phone Number	615-890-0123 Fax Number	
3.	<u>Owner of the Facility, Agency or Institution</u> National Health Corporation Name			
	100 Vine Street Street or Route		615-890-2020 Phone Number	
	Murfreesboro City	Tennessee State	Rutherford County	
			37130 Zip Code	
4.	<u>Type of Ownership or Control (Check One)</u>			
	A. Sole Proprietorship	_____	F. Government (State of TN or	_____
	B. Partnership	_____	Political Subdivision)	_____
	C. Limited Partnership	_____	G. Joint Venture	_____
	D. Corporation (For Profit)	<u> X </u>	H. Limited Liability Company	_____
	E. Corporation (Not-for-Profit)	_____	I. Other (Specify) _____	_____

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

National Healthcare, Cookeville is owned by National Health Corporation, a Tennessee Corporation qualified to do business in the State of South Carolina. (See copy of attached Corporation Documents, Exhibit C.)
National Health Corporation (a wholly owned company of the National Health Corporation Employee Stock Ownership Plan)100%

Please see Attachment "Section A, Applicant Profile - 4 Type of Ownership or Control" located at the end of the CON application on page 1 for a copy of the Articles of Organization, Certificate of Existence, Organization Chart and Listing of Other Nursing Facilities owned by National Health Corporation.

5. **Name of Management/Operating Entity (If Applicable)**

Tennessee HealthCare Advisors, LLC
 Name
 100 Vine St., Suite 1400
 Street or Route
 Rutherford
 County
 Murfreesboro
 City
 TN
 State
 37130
 Zip Code

PUT ALL ATTACHMENTS AT THE END OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

Please see Attachment "Section A, Applicant Profile - 5 Name of Management/Operating Entity" located at the end of the CON application on page 26.

6. **Legal Interest in the Site of the Institution (Check One)**

- | | | | |
|------------------------------|---------------|---|---------------|
| A. Ownership | <u>X</u> | D. Option to Lease * | <u> </u> |
| B. Option to Purchase | <u> </u> | E. Other (Specify) | <u> </u> |
| C. Lease of <u> </u> Years | <u> </u> | *Land Lease is included in the building purchase price. | |

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

Please see Attachment "Section A, Applicant Profile - 6 Legal Interest in the Site" located at the end of the CON application on page 21.

7. **Type of Institution (Check as appropriate--more than one response may apply)**

- | | | | |
|--|---------------|--|---------------|
| A. Hospital (Specify) | <u> </u> | I. Nursing Home | <u>X</u> |
| B. Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty | <u> </u> | J. Outpatient Diagnostic Center | <u> </u> |
| C. ASTC, Single Specialty | <u> </u> | K. Recuperation Center | <u> </u> |
| D. Home Health Agency | <u> </u> | L. Rehabilitation Facility | <u> </u> |
| E. Hospice | <u> </u> | M. Residential Hospice | <u> </u> |
| F. Mental Health Hospital | <u> </u> | N. Non-Residential Methadone Facility | <u> </u> |
| G. Mental Health Residential Treatment Facility | <u> </u> | O. Birthing Center | <u> </u> |
| H. Mental Retardation Institutional Habilitation Facility (ICF/MR) | <u> </u> | P. Other Outpatient Facility (Specify) | <u> </u> |
| | | Q. Other (Specify) | <u> </u> |

8. **Purpose of Review (Check) as appropriate--more than one response may apply)**

- | | | | |
|--|---------------|---|---------------|
| A. New Institution | <u> </u> | G. Change in Bed Complement | <u> </u> |
| B. Replacement/Existing Facility | <u> </u> | [Please note the type of change by underlining the appropriate response: <u>Increase</u> , Decrease, Designation, Distribution, Conversion, Relocation] | <u>X</u> |
| C. Modification/Existing Facility | <u>X</u> | | |
| D. Initiation of Health Care Service as defined in TCA § 68-11-1607(4) (Specify) | <u> </u> | H. Change of Location | <u> </u> |
| E. Discontinuance of OB Services | <u> </u> | I. Other (Specify) | <u> </u> |
| F. Acquisition of Equipment | <u> </u> | | <u> </u> |

9. **Bed Complement Data**
Please indicate current and proposed distribution and certification of facility beds.

	<u>Current Beds Licensed</u>	<u>Beds CON</u>	<u>Staffed Beds</u>	<u>Beds Proposed</u>	<u>TOTAL Beds at Completion</u>
A. Medical	_____	_____	_____	_____	_____
B. Surgical	_____	_____	_____	_____	_____
C. Long-Term Care Hospital	_____	_____	_____	_____	_____
D. Obstetrical	_____	_____	_____	_____	_____
E. ICU/CCU	_____	_____	_____	_____	_____
F. Neonatal	_____	_____	_____	_____	_____
G. Pediatric	_____	_____	_____	_____	_____
H. Adult Psychiatric	_____	_____	_____	_____	_____
I. Geriatric Psychiatric	_____	_____	_____	_____	_____
J. Child/Adolescent Psychiatric	_____	_____	_____	_____	_____
K. Rehabilitation	_____	_____	_____	_____	_____
L. Nursing Facility (non-Medicaid Certified)	_____	_____	_____	_____	_____
M. Nursing Facility Level 1 (Medicaid only)	_____	_____	_____	_____	_____
N. Nursing Facility Level 2 (Medicare only)	<u>94</u>	_____	<u>94</u>	<u>10</u>	<u>104</u>
O. Nursing Facility Level 2 (dually certified Medicaid/Medicare)	_____	_____	_____	_____	_____
P. ICF/MR	_____	_____	_____	_____	_____
Q. Adult Chemical Dependency	_____	_____	_____	_____	_____
R. Child and Adolescent Chemical Dependency	_____	_____	_____	_____	_____
Swing Beds	_____	_____	_____	_____	_____
S. Mental Health Residential Treatment	_____	_____	_____	_____	_____
T. Residential Hospice	_____	_____	_____	_____	_____
U. TOTAL	<u>94</u>	_____	<u>94</u>	<u>10</u>	<u>104</u>

10. Medicare Provider Number 445110
Certification Type Nursing Home

11. Medicaid Provider Number 7440153 IC 0445110 SNF
Certification Type Nursing Home

12. If this is a new facility, will certification be sought for Medicare and/or Medicaid?
N/A Center is not new.

13. **Identify all TennCare Managed Care Organizations/Behavioral Health Organizations (MCOs/BHOs) operating in the proposed service area. Will this project involve the treatment of TennCare participants? Yes** If the response to this item is yes, please identify all MCOs/BHOs with which the applicant has contracted or plans to contract.

Discuss any out-of-network relationships in place with MCOs/BHOs in the area.

NHC HealthCare, Cookeville has contracts with the following:

Aetna Health Care
Blue Cover TN
Blue Cross Blue Shield
Cariten
CCN Managed Care
ChampVA
Choice Care
Cigna Healthcare
CompPlus
Initial Group
John Deere
National Preferred Provider Network
Preferred Health Partnership
Signature Health Alliance
TriCare
United Health of TN
United Mine Workers Health & Retirement Funds
Vanderbilt Health Plans
Blue Advantage
Humana
Medicare Complete
Secure Horizon
Sterling Health Plan
Wellcare

NOTE: **Section B** is intended to give the applicant an opportunity to describe the project and to discuss the need that the applicant sees for the project. **Section C** addresses how the project relates to the Certificate of Need criteria of Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care. Discussions on how the application relates to the criteria should not take place in this section unless otherwise specified.

SECTION B: PROJECT DESCRIPTION

Please answer all questions on 8 1/2" x 11" white paper, clearly typed and spaced, identified correctly and in the correct sequence. In answering, please type the question and the response. All exhibits and tables must be attached to the end of the application in correct sequence identifying the questions(s) to which they refer. If a particular question does not apply to your project, indicate "Not Applicable (NA)" after that question.

- I. **Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.**

Proposed Services & Equipment: The proposed project is for the addition of 10 new Medicare certified nursing home beds to the existing 94 bed nursing home called NHC HealthCare, Cookeville, located at 815 South Walnut Ave, Cookeville (Putnam Co.) TN 38502.

Ownership Structure: National Health Corporation (for Profit Corporation)
Service Area: Putnam County

Need: Based on the Skilled Bed Need methodology found in the Certificate of Need Standards and Criteria, Nursing Home Services, there is a need for an additional 51 nursing home beds in Putnam County projected for 2018. Ten (10) new beds are being requested as part of this CON which represents only 20 percent of the beds projected to be needed in the Certificate of Need Standards and Criteria, Nursing Home Services for 2018 in Putnam County. The 125 bed pool which is effective from July 1, 2015 through June 30, 2016 will be affected. There are currently 100 beds left in the pool as of this filing.

Existing Resources: The existing site and building located at, 815 South Walnut Ave, Cookeville, TN, will be used for the proposed project. NHC has extensive operating experience in the Cookeville area, specifically in Putnam County, Tennessee since becoming licensed in 1975. NHC will use its resources and experience in the area to help staff and attract patients.

Project Cost: \$4,806,490

Funding: The project will be funded along with working capital, from NHC's cash on hand.

Financial Feasibility: The Projected Data Chart demonstrates the project is financially feasible in year one with positive net operating income less capital expenditures.

Staffing: 4.59 Direct Hours of Nursing per day (Year 1)*
4.13 Direct Hours of Nursing per day (Year 2)*

*Nursing hours for the bed addition and additional staff which does not include the existing nursing staff what will see the patients. For example, our Direct Hours of Nursing is currently greater than 6 hours PPD.

II. Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.

- A. Describe the construction, modification and/or renovation of the facility (exclusive of major medical equipment covered by T.C.A. § 68-11-1601 et seq.) including square footage, major operational areas, room configuration, etc. Applicants with hospital projects (construction cost in excess of \$5 million) and other facility projects (construction cost in excess of \$2 million) should complete the Square Footage and Cost per Square Footage Chart. Utilizing the attached Chart, applicants with hospital projects should complete Parts A.-E. by identifying as applicable nursing units, ancillary areas, and support areas affected by this project. Provide the location of the unit/service within the existing facility along with current square footage, where, if any, the unit/service will relocate temporarily during construction and renovation, and then the location of the unit/service with proposed square footage. The total cost per square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Parts B.-E. Please also discuss and justify the cost per square foot for this project. If the project involves none of the above, describe the development of the proposal.**

National Health Corporation ("NHC") is applying for a Certificate of Need ("CON") to add an ten (10) bed addition to an existing 94 bed nursing home located at 815 South Walnut Ave in Cookeville, Tennessee.

NHC HealthCare, Cookeville was originally constructed in 1975 and has a gross building area of approximately 29,286 sq. ft. Consequently, the building was constructed 41 years ago.

The proposed project involves the addition and new construction of ten (10) new private rooms to provide skilled nursing care. The project includes the renovation and construction of a total of 22 private rooms, the ten (10) new beds previously mentioned and 12 existing patient rooms being converted from semi-private to private rooms. Other renovations include work to be done in the kitchen, dish room and the addition of a two story office/storeroom building. Currently the center has no private rooms. Once the project is complete, the center will have a total of 34 private rooms, with a net increase of ten (10) beds, housed in a center with a total of 104 licensed beds.

NHC HealthCare, Cookeville is a skilled nursing facility with 94 beds complemented by PT/OT/and Speech Rehabilitation space offering state of the art equipment and therapies. The proposed addition will also add 2,000 sq. ft. of therapy space to the center to bring the center more in line with the needs of today's skilled nursing patients.

NHC HealthCare, Cookeville should be granted the proposed CON for the following reasons: NHC has a long history of providing quality long term care services in Putnam County. The additional beds will help local residents in need of skilled/rehab services to receive those services in their center of choice. The proposed project is financial feasible (see proforma projections), and lastly, it promotes the orderly development of the existing health care system in that it adds needed beds in an existing physical plant. National Health Corporation is also supported by the community.

SERVICES:

- a. **Nursing Services:** Licensed (RN's and LPN's) and ancillary nursing personnel will serve patients and in emergencies, area residents. In recognizing the critical role qualified nursing assistants play in the care of patients, NHC has established a pilot program with levels of certified nurse assistants (CNA).
- b. **Rehabilitation Services:** The center provides physical, occupational, speech and recreational therapy services according to physician's orders as part of a rehabilitation program. These services are also available to all residents of the service area (outpatient) as part of the applicant's continuum of care.

- c. Dietary Services: All special diet needs will be met and proper nourishment will be provided at all times. NHC has implemented (and is the only long-term health care chain to do so) an American Dietetic Association-approved Dietetic Internship program whereby dietitians are chosen to train in the three major areas of dietetics within the long-term health care setting: administrative, clinical and community dietetics with an emphasis on the treatment of geriatric nutritional problems. Internists also receive training in hospitals and community health centers. Upon graduation and completion of exams, they become licensed and certified dietitians. NHC's goal is to place an ADA Dietitian in each NHC facility.
- d. Medical Director: A local physician, Dr. Katherine Betram, MD, is employed as medical director on a consulting basis and will be available to attend to needs of our nursing home patients.
- e. Consultant Services: Advice and instructions is sought from health care professionals, including dietitians, pharmacists, gerontologists, therapists, and social workers.
- f. Housekeeping & Janitorial Services: Housekeeping and janitorial services is provided to insure that services are rendered to patients in a clean, attractive, well-maintained and comfortable atmosphere.
- g. Laundry: Clean linens are furnished to all patients and personal laundry services are available at a nominal charge.
- h. Patient Assessment Program: A multi-disciplinary team of health professionals systematically conduct medical care evaluations, admission and extended duration review. The computerized patient assessment program of the applicant maintains patient-specific reports thereby enabling the professional staff to evaluate patient progress on a regular and comprehensive basis. Moreover, management can ensure the physician's orders are carried out in conformance with the highest standards of patient care. Detailed information is fed into the computer and analyzed monthly. This information shows each item of expense and need. The costs are then compared to expected standards and similar corporate facilities. A continuous effort is thus maintained in providing a first class nursing home at the lowest possible cost to the patient, his family and the state/federal government.
- i. Discharge Planning: A discharge planning coordinator continuously monitor each patient's progress, by individual contact, and with the use of the patient assessment program, help to return the patient to the most independent living arrangements. This position is also responsible for some family support.
- j. Respite Care: NHC HealthCare, Cookeville can also provide respite care based on bed availability. Respite care refers to providing nursing services to individuals in the community that are cared for in their home and whose families need a place to care for individuals for a short time while the family is away.
- k. Sub-Acute Care: NHC HealthCare, Cookeville provides Level II beds for skilled patients and will do so by providing both the physical plant and trained staff to accommodate a more complex and skilled nursing level of care. The facility is organized and staffed accordingly to meet the needs of these patients.

NHC HealthCare, Cookeville will provide services to persons with decubiti ulcers, feeding tubes, catheters, tracheotomies, medical problems requiring IV's, or other persons requiring "sub-acute" care. It is the policy of NHC HealthCare, Cookeville to make available heavy skilled nursing services to patients requiring such services. The project offers sub-acute services and does so with the expertise and knowledge to do them efficiently and effectively.

NHC HealthCare, Cookeville is able to care for sub-acute patients with its increased staffing. If demand for these "heavy skilled" or "sub-acute" care beds is greater than projected,

additional staff, one of the main factors determining the number of sub-acute patients the facility can serve at any given time, is added to the staffing pattern.

- i. Transportation: NHC HealthCare, Cookeville will provide non-medical transportation to and from locations in the county for patients and/or volunteers who need such a service.
- m. Community Service - NHC HealthCare, Cookeville offers a number of Community Services such as health fairs and telephone reassurance for the local community.

- B. Identify the number and type of beds increased, decreased, converted, relocated, designated, and/or redistributed by this application. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the existing services.**

The proposed project is for the addition of ten (10) SNF Medicare beds to an existing 94 bed nursing home known as NHC HealthCare, Cookeville. NHC HealthCare, Cookeville will promote the orderly development of the health care system in that it is utilizing existing health care bed space and adds needed SNF beds in Putnam County where there is a projected need for an additional 51 nursing home beds in 2018 planning horizon.

SQUARE FOOTAGE AND COST PER SQUARE FOOTAGE CHART

A. Unit / Department	Existing Location	Existing SF	Temporary Location	Proposed Final Location	Proposed Final Square Footage			Proposed Final Cost/ SF		
					Renovated	New	Total	Renovated	New	Total
Admin										
Kitchen	X				96		96	\$86,613.97		\$86,613.97
Employee Break										
Laundry										
Storage/Central Supply						250	250		46,763	46,763
Housekeeping										
Classroom										
Beauty/Barber										
PT/OT/Speech						2,000	2,000		374,108	374,108
Nursing Support						825	825		154,315	154,315
Dining/Rec						796	796		148,892	148,892
Sun Porch										
Public/Staff Toilets						56	56		10,475	10,475
Patient Rms & Baths					2,550	6,977	6,977	\$68,548.00	1,305,078	1,373,626
Office/Storage Building						2,200	2,200		212,350	212,350
B. Unit/Depart. GSF Sub-Total										\$0
C. Mechanical/ Electrical GSF										
D. Circulation /Structure GSF						417	417		78,000	78,000
						2,879	2,879		538,517	538,517
E. Total GSF		29,286			2,646	16,400	19,046			\$3,023,491

C. As the applicant, describe your need to provide the following health care services (if applicable to this application):

1. Adult Psychiatric Services
2. Alcohol and Drug Treatment for Adolescents (exceeding 28 days)
3. Birthing Center
4. Burn Units
5. Cardiac Catheterization Services
6. Child and Adolescent Psychiatric Services
7. Extracorporeal Lithotripsy
8. Home Health Services
9. Hospice Services
10. Residential Hospice
11. ICF/MR Services
12. Long-term Care Services
13. Magnetic Resonance Imaging (MRI)
14. Mental Health Residential Treatment
15. Neonatal Intensive Care Unit
16. Non-Residential Methadone Treatment Centers
17. Open Heart Surgery
18. Positron Emission Tomography
19. Radiation Therapy/Linear Accelerator
20. Rehabilitation Services
21. Swing Beds

NHC's need to provide long term care services in Putnam County is based on two primary points. First, we are responding to ongoing discussions we have had with CRMC and other providers to deliver the increasingly needed skilled Medicare nursing home beds in the community. Second, NHC independently verified the need for said beds and the projected need, based on the population and currently bed inventory, but also with the State Health Plan's projected need for an additional 51 beds by 2018. Since this bed need formula projects the need for skilled Medicare beds, this need projection is not diminished by the Choices and/or Options programs. For patients being discharged from a hospital via Medicare, quite often the best and most cost effective option is a short term nursing home stay for rehab follow by home care after discharge. NHC request is being drive entirely by the local market conditions and demand for our services.

D. Describe the need to change location or replace an existing facility. **Not Applicable**

E. Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute) which exceeds a cost of \$1.5 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following: **Not Applicable**

1. For fixed-site major medical equipment (not replacing existing equipment):
 - a. Describe the new equipment, including:
 1. Total cost ;(As defined by Agency Rule).
 2. Expected useful life;

3. List of clinical applications to be provided; and
 4. Documentation of FDA approval.
 - b. Provide current and proposed schedules of operations.
2. For mobile major medical equipment:
 - a. List all sites that will be served;
 - b. Provide current and/or proposed schedule of operations;
 - c. Provide the lease or contract cost.
 - d. Provide the fair market value of the equipment; and
 - e. List the owner for the equipment.
3. Indicate applicant's legal interest in equipment (*i.e.*, purchase, lease, etc.) In the case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

- III. (A) Attach a copy of the plot plan of the site on an 8 1/2" x 11" sheet of white paper which **must include:**
Please see drawing included in the Attachment "Section B, Project Description - III (A) Plot Plan" on page 78 at the end of the application.

1. Size of site (*in acres*); 5.0 Acres
2. Location of structure on the site; and
3. Location of the proposed construction.
4. Names of streets, roads or highway that cross or border the site.

Please note that the drawings do not need to be drawn to scale. Plot plans are required for all projects.

- (B) 1. Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

The center is located at 815 South Walnut Avenue, Cookeville, TN. The center location is adjacent to S. Jefferson Ave off of Interstate 40. The center site is located is accessible to the major public transportation routes of Putnam County.

Cookeville Area Transit System (CAT) bus routes access the greater Cookeville area. CATS operates on two main fixed route services. NHC's center can be accessed via the Green Route line.

Please see map and bus schedule included in the Attachment "Section B, Project Description - III (B) Bus Schedule" on page 79 at the end of the application.

- IV. Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. on an 8 1/2" x 11" sheet of white paper.

NOTE: **DO NOT SUBMIT BLUEPRINTS.** Simple line drawings should be submitted and need not be drawn to scale.

Please see drawing included in the Attachment "Section B, Project Description - IV Floor Plan" on page 84 at the end of the application.

- V. For a Home Health Agency or Hospice, identify: **Not Applicable**

1. Existing service area by County;
2. Proposed service area by County;
3. A parent or primary service provider;
4. Existing branches; and
5. Proposed branches.

SECTION C: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with Tennessee Code Annotated § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, and will contribute to the orderly development of health care." The three (3) criteria are further defined in Agency Rule 0720-4-.01. Further standards for guidance are provided in the state health plan (Guidelines for Growth), developed pursuant to Tennessee Code Annotated §68-11-1625.

The following questions are listed according to the three (3) criteria: (I) Need, (II) Economic Feasibility, and (III) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. Please type each question and its response on an 8 1/2" x 11" white paper. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer. If a question does not apply to your project, indicate "Not Applicable (NA)."

Five Principles for Achieving Better Health

The following Five Principles for Achieving Better Health serve as the basic framework for the State Health Plan.

1. Healthy Lives

The purpose of the State Health Plan is to improve the health of Tennesseans.

While this principle focuses mainly on the goals and strategies that support health policies and programs at the individual, community, and state level that will help improve the health status of Tennesseans, this project is consistent in that it supports a continuum of care model where following an acute care stay patients would be able to receive intensive skilled nursing care and rehabilitative services at a stepped down cost from an acute care setting. The ultimate goal for all patients admitted is to return home to the least restrictive and least costly option available where the individual can live the healthiest life possible.

2. Access to Care

Every citizen should have reasonable access to health care.

NHC's healthcare model targets patients that are Medicare qualified beneficiaries seeking skilled nursing and rehabilitation services following a prior hospital stay. The majority of all patients placed in nursing homes from the acute care setting are Medicare beneficiaries. Since Medicare is a federal insurance program covering individuals age 65 and over, as well as disabled individuals below that age, access to long term care Medicare beds is a function of bed availability in the market. In Putnam County, the problem exists for the acute care providers and their timely placement of Medicare nursing home patients to a qualified Medicare nursing home bed. The addition of the 10 requested Medicare beds will help to improve access to this level of care. Also, approval of the request will also help to alleviate extra patient days in acute care beds while waiting for a Medicare bed to become available, which is costly to the system and also creates access problems on the acute care side of the continuum as well. In addition, hospitals must consider readmission rates from post-acute care providers that may have negative impact on patient care and financial feasibility of their institutions. Furthermore, accountable care organizations (ACO's) and bundled payment networks are helping to shape and dictate where patients coming from hospitals are directed to receive their post-acute care services.

3. Economic Efficiencies

The state's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies and the continued development of the state's health care system.

The proposed project speaks to the very heart of this principle at several levels. As accountable care organizations (ACO) begin to develop, with an eye to economic efficiencies and competitive markets, the State's health care system will begin to reshape itself. Ultimately, the goal of ACO's is to better serve the needs of the patient which this project is designed to do. By assuring that the appropriate level of care and health care beds are available, when needed, the state's health care system will be able to keep cost to their lowest level possible by making sure patients utilize services at the lowest level and cost possible. NHC's average length of stay for this project is projected to be 75 days, which is consistent with NHC HealthCare, Cookeville's experience in Putnam County, Tennessee.

4. Quality of Care

Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers.

NHC as a Long term care provider is surveyed both at the State and Federal level. Through various sources, including the Medicare.gov website and the Nursing Home Compare data sets, consumers can now compare and research long term care providers, home care providers and acute care providers. NHC compares favorably both at the State level and the national level regarding these measurements. Please see NHC Survey Analysis table located in Attachment "Section C. General Criteria - 14B Additional Occupancy Rate Standards" located on page 152 at the end of the application. The attached table reflects recent quality performance. In addition, NHC's quality outcome's is also why several big health care systems are discussing establishing ACO's with NHC operations across the State of Tennessee and country.

5. Health Care Workforce

The state should support the development, recruitment, and retention of a sufficient and quality health care workforce.

NHC is consistent with this principle and has a long outstanding history with developing, recruitment and retention of a quality health care workforce. NHC non-profit, Foundation for Geriatric Education, since its inception in 1982, has funded over \$2,608,000 in books and academic programs for a qualified health care workforce through 2015. The company also has a tuition reimbursement program which has funded millions of dollars for direct tuition for students. In addition, the company runs several of its own training programs to educate long term care health care workers such as a two year administrator in training program, a dietetic internship program, certified nursing assistant program, and advanced geriatric therapy program. NHC is also active in the federal workforce development system in locations across our markets and locally in the Middle Tennessee area with the Middle Tennessee Workforce Development Board for over sixteen years.

QUESTIONS

NEED

1. Describe the relationship of this proposal toward the implementation of the State Health Plan, Certificate of Need Standards and Criteria.
 - a. Please provide a response to each criterion and standard in Certificate of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9) here.
 - b. Applications that include a Change of Site for a health care institution, provide a response to General Criterion and Standards (4)(a-c) Not Applicable

The following has been taken from the State Health Plan, Certificate of Need Standard and Criteria for Nursing Home Services, Tennessee State Health Plan: 2014 Update.

NURSING HOME SERVICES

Public Chapter No. 1112, Senate Bill No. 2463, which passed during the 1998 legislative session, amended and changed the code sections establishing the bed need formula that the Health Services and Development Agency must follow when granting certificates of need for nursing home beds in Tennessee. During the fiscal year (July 1 – June 30), the Agency shall issue no more than the designated number of Medicare skilled nursing facility beds for applicants filing for a certificate of need. The number of Medicare skilled nursing facility beds issued shall not exceed the allocated number of beds for each applicant. The applicant must also specify in the application the skilled services to be provided and how the applicant intends to provide such services.

The Tennessee General Assembly directed that there be a pool of 125 skilled nursing facility beds available for certificate of need approval in the fiscal year from July 1, 2015 to June 30, 2016. The General Assembly also directed that nursing home bed certificates of need could be issued only for Medicare – certified skilled nursing facility beds, and that no applicant receives more than 30 such beds.

A. Determination of Need

- 1. According to TCA 68-11-1622, the need for nursing home beds shall be determined by applying the following population-based statistical methodology:**

$$\begin{aligned}\text{County bed need} = & .0005 \times \text{pop. 65 and under, plus} \\ & .0120 \times \text{pop. 65 - 74} \\ & .0600 \times \text{pop. 75 - 84} \\ & .1500 \times \text{pop 85+}\end{aligned}$$

As stated above, Public Chapter No. 1112, Senate Bill No. 2463, amended and changed the code sections establishing the bed need formula that the Health Services and Development Agency must follow when granting certificates of need for nursing home beds in Tennessee. Based on the above referenced bed need methodology and a Nursing Facility Bed Need: Comparison of Tennessee's Health: Guidelines for Growth 2000 vs. Statute, By Total State and County 2000, there is a need in Putnam County of nursing home beds projected for 2018, or a need for an additional 51 beds in Putnam County. **Please see Nursing Facility Bed Need Report located in Attachment "Section C. General Criteria - 1.A. Need" located on page 86 at the end of the application.** This information, which is the most current available to the department, was provided and is included here for reference.

These projections demonstrate a need based on the population growth in Putnam County for nursing beds.

2. **Planning horizon:** The need for nursing home beds shall be projected two years into the future from the current year.

**SNF Need Formula
Putnam County Bed Need**

**SNF Need
Formula**

4/11/2016

Putnam County

County Bed Need

2018 Population	Rate	Needed Beds By Age
70,265	0.0005	35
7,167	0.012	86
3,832	0.06	230
<u>1,359</u>	0.15	<u>204</u>
82,623		555
Existing Beds =		504
Need =		51

Source: Office of Health Statistics,
Bureau of Health Informatics, Tennessee
Department of Health

Existing beds based on licensed beds, Licensed
Health Facilities, TN Department of Health

So noted by the applicant. The bed need referenced in response to Question 1 is the projected two year to show the 2018 bed need. There is a net need for an additional 51 nursing beds, per this report, well in excess of NHC's requested ten (10) Medicare SNF beds.

3. **Establishment of Service Area:** A majority of the population of the proposed Service Area for any nursing home should reside within 30 minutes travel time from that facility. Applicants may supplement their applications with sub-county level data that are available to the general public to better inform the HSDA of granular details and trends; however, the need formula established by these Standards will use the latest available final JAR data from the Department of Health. The HSDA additionally may consider geographic, cultural, social, and other aspects that may impact the establishment of a Service Area.

Since the proposed project is utilized by the elderly population most frequently, and the elderly often have difficulty with transportation and travel, the primary service has been determined to be Putnam County. However, we do expect that some residents will come from outside our primary service area. Nevertheless, we have confined our need justification to Putnam County where the majority of the population of the service area is within 30 minutes travel time from the proposed facility.

4. **Existing Nursing Home Capacity:** In general, the Occupancy Rate for each nursing home currently and actively providing services within the applicant's proposed Service Area should be at or above 90% to support the need for any project seeking to add new nursing home beds within the Service Area and to ensure that the financial viability of existing facilities is not negatively impacted.

When considering replacement facility or renovation applications that do not alter the bed component within the Service Area, the HSDA should consider as the primary factor whether a replacement facility's own occupancy rate could support its economic feasibility, instead of the occupancy rates of other facilities in the Service Area.

So noted by the applicant. The following bed inventory was reported to the Department of Health for year ending 12/31/12 through 12/31/14 for Putnam County.

**Putnam County Nursing Homes Occupancy
2012 - 2014**

NURSING HOMES	2016 Licensed Beds	2012 Occupancy	2013 Occupancy	2014 Occupancy
Bethesda Health Care Center	120	73.3%	90.6%	65.2%
NHC HealthCare, Cookeville	94	96.8%	87.9%	92.3%
Signature Healthcare of Putnam County*	175	96.4%	92.8%	91.1%
Standing Stone Care and Rehabilitation Center	115	79.5%	80.7%	82.8%
Total	504	87.1%	88.6%	82.9%

* Signature reporting period 1/1/14 - 4/30/14. Occupancy is based on 3 months of data.

Source: 2012 - 2014 JAR Reports Utilization

As of the last available Joint Annual Report for Nursing Homes in 2014, all nursing homes did not have an annualized occupancy in excess of 90%. One of the licensed centers, Standing Stone Care and Rehabilitation Center, while being located in Putnam County is located approximately 16 miles out of Cookeville in Monterey, Tennessee. For many folks that live in Cookeville, where the NHC center is located, the Monterey center location really does not provide a reasonable option for someone from Cookeville seeking skilled care. The center location is not conveniently located to the growing population areas of Putnam County. In addition, Standing Stone Care and Rehabilitation is currently a One Star rated center.

In addition, Bethesda Health Care Center has reported a lower occupancy rate which appears to be centered around a 2013 survey where Standing Stone received 11 deficiencies which exceeds both the Tennessee and the federal average number of deficiencies.

Please see Nursing Facility Bed Need Report located in Attachment "Section C. General Criteria - 1.A. 3 Inventory and Utilization" located on page 89 at the end of the application for the licensed facilities in Putnam County and occupancy rate table, p.92 and Section C. General Criteria - 1.A. 4 Service Area JAR" located on page 92c at the end of the application for the service Area JAR reports, and numerous tables reflecting facility data compiled from the JARS.

5. **Outstanding Certificates of Need:** Outstanding CONs should be factored into the decision whether to grant an additional CON in a given Service Area or county until an outstanding CON's beds are licensed.

There are no outstanding CON projects in the proposed service area resulting in a net increase in beds to Putnam County.

6. **Data:** The Department of Health data on the current supply and utilization of licensed and CON-approved nursing home beds should be the data source employed hereunder, unless otherwise noted.

So noted by the applicant.

7. **Minimum Number of Beds:** A newly established free-standing nursing home should have a sufficient number of beds to provide revenues to make the project economically feasible and thus is encouraged to have a capacity of least 30 beds. However, the HSDA should consider exceptions to this standard if a proposed applicant can demonstrate that economic feasibility can be achieved with a smaller facility in a particular situation.

Not Applicable, the proposed project is for the addition of 10 beds to an existing licensed 94 bed licensed nursing home facility.

8. **Encouraging Facility Modernization:** The HSDA may give preference to an application that:
 - a. Proposes a replacement facility to modernize an existing facility.
 - b. Seeks a certificate of need for a replacement facility on or near its existing facilities operating location. The HSDA should evaluate whether the replacement facility is being located as closely as possible to the location of the existing facility and, if not, whether the need for a new, modernized facility is being impacted by any shift in the applicant's market due to its new location within the Service Area.

c. Does not increase its number of operating beds.

In particular, the HSDA should give preference to replacement facility applications that are consistent with the standards described in TCA §68-11-1627, such as facilities that seek to replace physical plants that have building and/or life safety problems, and/or facilities that seek to improve the patient-centered nature of their facility by adding home-like features such as private rooms and/or home-like amenities.

The proposed project will not only add 10 new beds, in private rooms, but also create 24 private rooms from 12 existing semi-private rooms for patients. The center, built in 1975, does not currently have any private rooms. In addition, 2,000 sq. ft. of additional needed therapy space along with other ancillary areas will be constructed, renovated and modernized.

9. **Adequate Staffing:** An applicant should document a plan demonstrating the intent and ability to recruit, hire, train, assess competencies of, supervise, and retain the appropriate numbers of qualified personnel to provide the services described in the application and that such personnel are available in the proposed Service Area. However, when considering applications for replacement facilities or renovations of existing facilities, the HSDA may determine the existing facility's staff would continue without significant change and thus would be sufficient to meet this Standard without a demonstration of efforts to recruit new staff.

NHC HealthCare, Cookeville is currently fully staffed and requires only a minimal staffing addition of 10.55 FTE's by year two. In addition, the center uses no agency/contracted staff and has demonstrated its ability to fully staff the project with more than adequate staffing.

10. **Community Linkage Plan:** The applicant should describe its participation, if any, in a community linkage plan, including its relationships with appropriate health care system providers/services and working agreements with other related community services to assure continuity of care. If they are provided, letters from providers (including, e.g., hospitals, hospice services agencies, physicians) in support of an application should detail specific instances of unmet need for nursing home services.

Rationale: Coordinated, integrated systems of care may not be in place in much of rural Tennessee, and therefore this language has been deleted. Additionally, the Division recognizes that nursing homes may not be the primary drivers of community linkage plans, and the Division does not mean to suggest that an applicant should develop one itself; instead it should provide information on its participation in a community linkage plan, if any. However, the Division recognizes that hospitals, particularly rural ones, often encounter difficulties in discharge planning to nursing homes due to a lack of available beds. CON applications for new nursing home beds should therefore also provide letters from hospitals, hospice service agencies, physicians, or any other appropriate providers, to provide evidence of unmet need and the intent to meet that need.

Transfer agreements have been established between all relevant health care providers in the community including but not limited to the following:

Cookeville Regional Medical Center
Saint Thomas
Vanderbilt
Saint Thomas – Highlands Hospital
Livingston Regional Hospital
Erlanger - Chattanooga
Other Area Putnam County and surrounding health care providers

Contractual relationships have been drawn up with a Medical Director, Dietary Consultant, Physical Therapist, Medical Record Consultant, and Therapists for other treatment such as oxygen therapy. Contractual relationships are established with local dentists, optometrists, gerontologists and other specialized physicians, in order to meet the needs of the patients.

A licensed pharmacist is a member of the Pharmacy Committee, and a pharmacy has been awarded a contract to supply medications for the patients. If a patient does not wish to use the pharmacy with which the facility has contracted, the patient will have the choice of the pharmacy he chooses to use provided the pharmacy agrees to the mandates of the State regulations and the rules and regulations of the nursing home.

It is the intent of this facility to meet all the requirements of the TN Department of Health with regard to agreements, contractual arrangements and participation by health care professionals. The following is the process, which has been established to coordinate and provide for a continuum of care in the project in conjunction with other providers:

Purpose: The purpose of being actively involved in the community continuum of care is to provide the consumer within our market area the opportunity to acquire the most appropriate level and type of services for his/her needs. These needs relate to medical support, personal care, personal maintenance and nutritional guidance. We will focus on coordinating our services with other health care providers through effective communication and teamwork.

Targeted Population: Although the targeted population is diverse due to the multifaceted nature of the continuum of care, two groups dominate NHC's particular services on the continuum.

1. Individuals in other community settings who need services devoted to rehabilitation and short-term stays in the healthcare center.
2. Persons who can no longer be maintained or cared for in their current setting and need 24-hour care for chronic and/or debilitating conditions of a long-term nature.

Methodology:

Step 1: Maintain a listing of Current Community Resources-This listing is categorized according to type of service contact person for each organizations. Standard categories, with the function as it relates to our facility include the following:

<u>Organization</u>	<u>Function</u>
Hospitals	Discharge sub-acute patients to more cost-effective nursing centers.
Hospices	Care for special group of terminally ill.
Residential Facilities	Residential institution for those unable to maintain independent lifestyles but do not need intense Medical Care.
Assisted Living (ALF)	Group environment to prevent immediate admission to long-term care facility.
Home Health Care institution.	Provides Medical treatment on less expensive environment than institution.
Home Support	Household or personal services essential to any home health care program.
Adult Day Care	Needed respite service for family support while care provided at home.
Nutrition Programs	Health promotions service which also acts to encourage socialization and prevent isolation.
Senior Centers/ Recreation Services	Acts to improve quality of life and encourages socialization

Step 2: All potential nursing center patients and referrals are pre-screened to determine whether the person's condition warrants admission to the nursing center. If admission to the nursing center is not appropriate, and if the person's condition is such that he can be cared for at home with assistance, the Admissions Director and the Social Services Director will refer the person and his family to the appropriate service provider. This will ensure that elderly persons are not being inappropriately admitted to the nursing center and coordination of other services is maintained.

For elderly persons admitted to the nursing center, discharge planning will ensure that patients are discharged to a non-institutional setting when their physical condition improves. Discharge planning begins upon the patient's admission to the center. At that time, the Admissions Director and Social Services Director will meet with the patient and his family to discuss the availability of suitable accommodations following discharge as determined by the initial assessment.

The patient's progress is monitored and reassessed on a regular basis to determine whether the patient is a candidate for transfer to the community. The Social Services Director, who is part of the center's interdisciplinary care team, will update each patient's medical record with progress notes regarding discharge planning on a regular basis. If discharge has been determined to be appropriate, the Social Services Director will advise the patient and his family of the availability of community support systems, such as home health care, adult day care, etc. The Social Services Director will serve as the liaison between the patient, his family, and the appropriate provider to coordinate the discharge home and the linkage for support services.

Linkages to facilitate referrals and transfers are established through formal working agreements and referral arrangements. These agreements are established prior to facility opening to ensure immediate linkages. Given the fact that NHC already operates in Putnam County, the bed addition

will benefit from established referral agreements with the targeted organizations listed above.

Responsible Position: The center's Admissions Director and Social Services Director are responsible for ensuring that potential patients who inquire at the center for admission are referred to the appropriate provider if admission to the nursing center is not warranted or if such service is needed. The Social Services Director is responsible for discharge planning to ensure that patients are discharged from the center when they are ready and that transfer to a semi-institutional setting or to home with appropriate support services is successfully coordinated. Through their ongoing work, the Admissions Director and Social Services Director will maintain linkages and working relationships with providers of non-institutional services.

Desired Outcome: The desired outcome is to ensure that discharges and/or referrals to support services are available and coordinated in a timely manner for patients who no longer require nursing home care and for elderly inquiring at the center for services, but who are inappropriate for admission.

- 1) Become a strong link in the chain of health care providers as it relates to an overall continuum of care.
- 2) Improve and enhance proper service utilization.
- 3) Improve patients' medical conditions by using available avenues.
- 4) Reduce cost by eliminating duplication of services.

Measurement of Outcome: The Admissions Director and Social Services Director will maintain a record of inquiries and referrals of elderly persons seeking long-term care services. These records are reviewed through Quality Assurance and state licensure surveys to determine if appropriate referrals are being made.

Patient medical records are reviewed on a regular basis by the interdisciplinary care team to determine if discharge from the nursing center is appropriate, and if discharge planning goals are being updated or modified. Discharge planning will also be monitored through Quality Assurance surveys and state licensure surveys. Utilization review is conducted every month for Medicare patients. Monitoring of discharge planning will promote the utilization of less intensive, non-institutional services whenever possible.

To integrate and utilize other providers in the health care network the center has established and will have linkages with others in the health care network through the following process:

Purpose: To promote the utilization of less intensive, non-institutional services such as home health care, adult day care, meals on wheels, etc. Since the proposed nursing center will not offer these services, linkages are established with providers of these services to ensure accessibility and transfer when appropriate by nursing center patients.

Targeted Population: Persons targeted for referral to non-institutional services are those nursing center patients whose health has improved to the point where they no longer require 24-hour nursing supervision and are eligible for transfer to home or to a semi-institutional setting, with support services. Referrals will also be made for persons inquiring at the center for long-term care services, but whom after pre-screening, are determined to be inappropriate for nursing home admission.

Linkages are developed by the center with other providers in Putnam County to provide services not offered by the center. Putnam County has 9 home health agencies, 4 hospice and 3 assisted living providers. Although the residents will have a choice in health care providers, following is a list of some providers the facility will work with to provide services not offered by the center.

Home Health Agencies

Amedisys Home Health
CareAll
Deaconess
Highland Rim
NHC HomeCare
Suncrest Home Health
Quality Home Health
Intrepid

Hospice

Avalon
Caris Hospice
Gentiva
Upper Cumberland

Meals on Wheels

Area Meals on Wheels

Assisted Living Centers

Cedar Hills
Heritage Pointe
Morningside

Misc.

Diverse Medical Management
Trident USA
Psych-Services LLC
One Care Dental
Linde

Desired Outcome: The desired outcome is to ensure that discharges and/or referrals to non-institutional support services are available and coordinated in a timely manner for patients who no longer require nursing home care and for elderly inquiring at the center for services, but who are inappropriate for admission.

Consequently, transfer agreements are established between all relevant health care providers in the community.

Contractual relationships are established with local dentists, optometrists and other specialized physicians, in order to meet the needs of the patients.

A licensed pharmacist will be a member of the Pharmacy Committee, and a local pharmacy is awarded a contract to supply medications for the patients. If a patient does not wish to use the pharmacy with which the facility has contracted, the patient will have the choice of the pharmacy he chooses to use provided the pharmacy agrees to the mandates of the State regulations and the rules and regulations of the nursing home.

It is the intent of this facility to meet all the requirements of the TN Department of Health with regard to agreements, contractual arrangements and participation by health care professionals.

11. **Access:** The applicant should demonstrate an ability and willingness to serve equally all of the Service Area in which it seeks certification. In addition to the factors set forth in HSDA Rule 0720-11-.01(1) (listing the factors concerning need on which an application may be evaluated), the HSDA may choose to give special consideration to an applicant that is able to show that there is limited access in the proposed Service Area. However, an applicant should address why Service Area residents cannot be served in a less restrictive and less costly environment and whether the applicant provides or will provide other services to residents that will enable them to remain in their homes.

The Applicant provides post-acute care services primarily to patients being discharged directly following an acute care hospital stay. Patients spend an average of 75 days in our facility receiving skilled nursing care and rehabilitative services, and then are able to return to a less restrictive and less costly environment. More importantly, NHC is focused on decreasing hospital readmission rates to acute care providers which not only saves the healthcare system money, but it results in better quality care and outcomes for patients.

**Putnam County Nursing Facilities
Hospital Readmission Rates**

4/12/2016

Facility	Cookeville Regional	Readmission Rates of Patients Discharged to all SNF Providers	Difference in Readmission Rates to all SNF Providers	Readmission Rates of Patients Discharged to Selected Market	Difference in Readmission Rates to Selected Market
Bethesda Health Care Center	18%	15%	3%	15%	3%
NHC HealthCare, Cookeville	11%	15%	-4%	15%	-4%
Signature Healthcare	17%	15%	2%	15%	2%
Standing Stone Care & Rehab	N/A	15%	N/A	15%	N/A

Source: The Advisory Board Company, 2014 Hospital Discharges

The Advisory Board Company does not display volumes less than 11; therefore, some Readmission Rate data is Not Available (N/A).

12. **Quality Control and Monitoring:** The applicant should identify and document its existing or proposed plan for data reporting, quality improvement, and outcome and process monitoring systems, including in particular details on its Quality Assurance and Performance Improvement program as required by the Affordable Care Act. As an alternative to the provision of third party accreditation information, applicants may provide information on any other state, federal, or national quality improvement initiatives. An applicant that owns or administers other nursing homes should provide detailed information on their surveys and their quality control programs at those facilities, regardless of whether they are located in Tennessee.

NHC centers currently meet the Quality Assessment and Assurance requirements mandated by our survey regulations (attached). Each center uses The Quality Improvement Program Manual as a guide for their internal committee (table of contents attached) and its activities. Each center is unique and as such has variations in how their QI work is accomplished. The QI section of our Patient Care Policies (attached) serve as the policy they all adhere to and procedurally adapt for their location.

NHC centers actively monitor key patient care outcomes (pressure ulcers, weight loss, and falls with injury) and respond when data indicate a need; they review Quality Measure data (from MDS submissions) and work to improve the services provided to patients.

There are proposed regulations for Quality Assurance and Performance improvement (QAPI) mandated by ACA but these have not yet been finalized. In the interim we have asked our centers to review the CMS document about QAPI (attached); we have drafted a QAPI purpose statement and principles (attached) for NHC centers to follow as they develop their own QAPI plan once the regulations are finalized.

Please see Nursing Facility Bed Need Report located in Attachment "Section C. General Criteria - 12. Quality Control and Monitoring" located on page 141 at the end of the application.

483.75(o) Quality Assessment and Assurance

(1) A facility must maintain a quality assessment and assurance committee consisting of –

- (i) The director of nursing services;**
- (ii) A physician designated by the facility; and**
- (iii) At least 3 other members of the facility's staff.**

(2) The quality assessment and assurance committee –

- (i) Meets at least quarterly to identify issues with respect to which quality assessment and assurance activities are necessary; and**
- (ii) Develops and implements appropriate plans of action to correct identified quality deficiencies.**

(3) State or the Secretary may not require disclosure of the records of such committee except insofar as such disclosure is related to the compliance of such committee with the requirements of this section.

(4) Good faith attempts by the committee to identify and correct quality deficiencies will not be used as a basis for sanctions.

NHC Quality Assurance and Performance Improvement (QAPI)

Purpose Statement:

To retain our position as the industry leader in customer and investor satisfaction, NHC's Quality Assurance and Performance Improvement Program will focus on key patient outcomes and critical business measures to assure that every patient receives the right care in the right way every time.

Guiding Principles:

1. Senior Leaders (center, region and corporate) value, support and model the performance improvement process to prioritize, guide and direct operations.
2. Our Better Way Culture expects open communication in a blame free environment resulting in constructive response to systems gaps, failures and breakdowns (complaints, gifts, suggestions).
3. Person Centered thinking defines our performance Improvement Activities
4. NHC's QAPI is interdisciplinary, i.e. encourages a collaborative, relationship-building approach that supports integrity.
5. Performance Improvement includes all partners and all services.
6. Partners are empowered through performance improvement education and are given the opportunity to participate in the performance improvement activities.
7. Continuous improvement goals are data driven, including feedback from customers and partners, as well as internal and external benchmarks.
8. Through broad monitoring we pro-actively identify opportunities for systems to be fine-tuned.

Note: Key patient outcomes (including corporate goals and industry focuses)

Critical business measures (including census building, documentation that supports every claim, and accurate collections [budget, claims processing edits])

13. **Data Requirements:** Applicants should agree to provide the TDH and/or the HSDA with all reasonably requested information and statistical data related to the operation and provision of services at the applicant's facility and to report that data in the time and format requested. As a standard of practice, existing data reporting streams will be relied upon and adapted over time to collect all needed information.

If approved, the applicant will provide the Tennessee Department of Health and the Health Services and Development Agency with all reasonably requested information and statistical data related to the operation and provision of services at the applicant's facility and to report that data in the time and format requested.

14. Additional Occupancy Rate Standards:

- a. An applicant that is seeking to add or change bed component within a Service Area should show how it projects to maintain an average occupancy rate for all licensed beds of at least 90 percent after two years of operation.

Please see Section C. Economic Feasibility – 4, p.180 for an occupancy summary for the 10 bed addition.

- b. There should be no additional nursing home beds approved for a Service Area unless each existing facility with 50 beds or more has achieved an average annual occupancy rate of 90 percent. In determining the Service Area's occupancy rate, the HSDA may choose not to consider the occupancy rate of any nursing home in the proposed Service Area that has been identified by the TDH Regional Administrator as consistently noncomplying with quality assurance regulations, based on factors such as deficiency numbers outside of an average range or standards of the Medicare 5 Star program.

Please note that the occupancy rates of existing facilities with 50 or more beds have not achieved an average annual occupancy rate of 90 percent in the applicant's service area, Putnam County. However, a review of CMS Star Ratings and Survey deficiencies comparing both the State of Tennessee averages and average deficiencies in the United States reveals deficiency numbers outside of an average range. Perhaps more importantly, of the four (4) nursing homes located in Putnam County, based on the most recent CMS 5 Star Ratings, only two centers, NHC HealthCare, Cookeville and Bethesda Health Care have a CMS Star rating of 4, the other two (2) facilities have a quality rating of one (1) Star or below average. Please note that NHC's center has consistently had fewer deficiencies compared to both the State and the Federal average number of deficiencies in the US of all the centers in the service area.

Please see Nursing Facility Bed Need Report located in Attachment "Section C. General Criteria – 14(b). Additional Occupancy Rate Standards located on page 152 at the end of the application.

The following text regarding the CMS 5 Star Rating and Survey program was taken directly from the CMS 5 Star website, <https://www.cms.gov/Medicare/Provider-Enrollment-andCertification/CertificationandCompliance/FSQRS.html>.

"CMS created the Five-Star Quality Rating System to help consumers, their families, and caregivers compare nursing homes more easily and to help identify areas about which you may want to ask questions.

The Nursing Home Compare Web site features a quality rating system that gives each nursing home a rating of between 1 and 5 stars. Nursing homes with 5 stars are considered to have much above average quality and nursing homes with 1 star are considered to have quality much below average. There is one Overall 5-star rating for each nursing home, and a separate rating for each of the following three sources of information:

- **Health Inspections** – The health inspection rating contains information from the last 3 years of onsite inspections, including both standard surveys and any complaint surveys. This information is gathered by trained, objective inspectors who go onsite to the nursing home and follow a specific process to determine the extent to which a nursing home has met Medicaid and Medicare's minimum quality requirements. The most recent survey findings are weighted more than the prior two years. More than 180,000 onsite reviews are used in the health inspection scoring nationally.
- **Staffing** – The staffing rating has information about the number of hours of care provided on average to each resident each day by nursing staff. This rating considers differences in the levels of residents' care need in each nursing home. For example, a nursing home with residents who had more severe needs would be expected to have more nursing staff than a nursing home where the resident needs were not as high.
- **Quality Measures (QMs)** – The quality measure rating has information on 11 different physical and clinical measures for nursing home residents. The rating now includes information about nursing

homes' use of antipsychotic medications in both long-stay and short-stay residents. This information is collected by the nursing home for all residents. The QMs offer information about how well nursing homes are caring for their residents' physical and clinical needs. More than 12 million assessments of the conditions of nursing home residents are used in the Five-Star rating system."

How are Star Ratings for the Nursing Home Compare Five-Star Quality Rating System determined?

1. Health Inspection Domain

The health inspection rating is based on the three most recent standard surveys for each nursing home, results from any complaint investigations during the most recent three-year period, and any repeat revisits needed to verify that required corrections have brought the facility back into compliance. CMS calculates a weighted deficiency score based on points assigned to health deficiencies identified in each active provider's current health inspection survey and the two prior surveys (including revisits), as well as deficiency findings from the most recent three years of complaint investigations. More recent surveys are weighted more heavily than older surveys: the most recent period (cycle 1) is assigned a weighting factor of 1/2, the previous period (cycle 2) has a weighting factor of 1/3, and the second prior survey (cycle 3) has a weighting factor of 1/6. The weighted time period scores are then summed to create the survey score for each facility.

Facility ratings are determined using these criteria:

- **The best 10 percent in each State receive a five-star rating.**
- **The middle 70 percent of facilities receive a rating of two, three, or four stars, with an equal number (approximately 23.33 percent) in each rating category.**
- **The worst 20 percent receive a one-star rating.**

CMS' Five-Star health inspection ratings are based on the relative performance of facilities within a state. CMS chose to compare facilities to each other within State to help control for variation among states that results from different management practices, differences in state licensing laws, and differences in state Medicaid policies.

- c. A nursing home seeking approval to expand its bed capacity should have maintained an occupancy rate of 90 percent for the previous year.

Rationale: The Division believes reducing the occupancy rates from 95 to 90 percent in numbers 14b and 14c more accurately reflects overall occupancy in the state, and also would take into consideration some increasing vacancy rates that current nursing homes may be experiencing due to decreasing admissions overall and increasing patient turnover due to short-stay patients.

NHC HealthCare, Cookeville had an occupancy rate of 92.3% in the previous reporting JAR year, 2014.

Please see Nursing Facility Bed Need Report located in Attachment "Section C. General Criteria – 14(b). Additional Occupancy Rate Standards located on page 152 at the end of the application.

2. Describe the relationship of this project to the applicant facility's long-range development plans, if any.

At NHC, our company motto is Care is Our Business. NHC's long-range development plans for Putnam County is quite simple, to provide quality long-term care services to meet the needs of the citizens of Putnam County. Our goal is to expand into the Cookeville area and provide the needed long-term services we have provided over the last 41 years to the residents of Putnam County.

3. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. **Please submit the map on 8 1/2" x 11" sheet of white paper marked only with ink detectable by a standard photocopier (i.e., no highlighters, pencils, etc.).**

The service area for this proposed project is Putnam County. This is a reasonable area since nursing residents prefer not to leave their local communities. **Please see the county level map in Attachment "Section C. General Criteria - 3 Service Area Map" located on page 98 at the end of the application.** The continued growth in the population group aged 65 and above as documented support the continued need for and existence of high quality of care nursing home beds in Putnam County.

4. A Describe the demographics of the population to be served by this proposal.

During the 20th century, the number of person in the United States under age 65 has tripled. At the same time, the number aged 65 and over has grown by a factor of 11. According to Census Bureau's projections, the elderly populations will more than double between 1995 and the year 2050, to 80 million. By that year, as many as 1 in 5 Americans could be elderly. In 2010, persons 65 and above represented 13.0% of the total population (Census 2010).

Perhaps more significant is the rapid growth expected in oldest old age group, which are more likely to need some form of nursing home care. Thanks to the arrival of the survivors of the baby boom generation, it is expected the oldest old will number 19 million in 2050. That would make them 22 percent of elderly Americans and 4.3 percent of all Americans. (U.S. Census, *The Next four Decades: The Older Population in the United States: 2010 to 2050*, 5/10)

Diagnostic Related Group (DRG) prospective payment for hospitals made a significant impact on the demand for nursing home services. The prospective payment system encourages hospitals to discharge their elderly patients to long term care facilities (Modern Healthcare, 1984). Nursing homes today still experience great demand to accommodate patients who are admitted sicker and require greater amounts of nursing care. Consequently, there exist a growing need for nursing facilities offering and providing high level and quality skilled care services (Level II). Since many of the local medical centers do not provide nursing home care, the responsibility to provide this level of service rest on local nursing home providers.

Putnam County's age 65 and over population grew by 17.0% from 2010 to 2018. According to the Census figures, Putnam County 85 and over population increased by 155 persons from 2010 to 2018 or 12.9% from 1,204 to 1,359 residents.

The age 65+ population in Putnam County is projected to increase from 10,565 to 12,358, from 2010 to 2018 respectively (Source: Office of Health Statistics, TN Dept of Health) The primary population to be served by the proposal is those over the age of 65. **Please see Attachment "Section C – General Criteria – 4A Demographics of the Population Served" located on page 103 at the end of the application.**

Putnam County Population Projections

Age	Putnam County				
	2010	2016	2018	2010 – 2016 % Increase	2010 - 2018 % Increase
60 - 64	4,113	4,173	4,265	1.5%	3.7%
65-74	5,919	7,092	7,167	19.8%	21.1%
75-84	3,442	3,614	3,832	5.0%	11.3%
85+	1,204	1,338	1,359	11.1%	12.9%
65+	10,565	12,044	12,358	14.0%	17.0%
Total Population	72,321	79,829	82,623	10.4%	14.2%

Source: TN Department of Health, Division of Policy, Planning & Assessment, Office of Health Statistics

B.

Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

The proposed project is accessible to all consumers, including women, racial and ethnic minorities, and low-income groups seeking skilled care. National Health Corporation is proposing to add 10 beds to an existing 94 bed nursing home in Putnam County. The services proposed herein address special needs of the population which this center will serve. The services will be made readily available to each of the following:

- (a) Low income persons;
- (b) Racial and ethnic minorities;
- (c) Women;
- (d) Handicapped persons;
- (e) Elderly; and
- (f) Other underserved persons (e.g., "sub-acute" care patients discharged from hospitals and persons with dementia).

It is and will be the centers policy to be readily accessible to low income persons, racial and ethnic minorities, women, handicapped persons, elderly, and other underserved persons.

5. Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.

The following bed inventory was reported to the Department of Health for year ending 12/31/12 through 12/31/14 for Putnam County. In addition, there are no approved or outstanding CON's for nursing home beds in Putnam County.

**Putnam County Nursing Homes Occupancy
2012 - 2014**

NURSING HOMES	2016 Licensed Beds	2012 Occupancy	2013 Occupancy	2014 Occupancy
Bethesda Health Care Center	120	73.3%	90.6%	65.2%
NHC HealthCare, Cookeville	94	96.8%	87.9%	92.3%
Signature Healthcare of Putnam County*	175	96.4%	92.8%	91.1%
Standing Stone Care and Rehabilitation Center	115	79.5%	80.7%	82.8%
Total	504	87.1%	88.6%	82.9%

* Signature reporting period 1/1/14 - 4/30/14. Occupancy is based on 3 months of data.

Source: 2012 - 2014 JAR Reports Utilization

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

Annual utilization for each of the two (2) years following completion of the project.

	<u>2019</u>	<u>2020</u>
NHC HealthCare, Cookeville	85.45%	95.10%

Please see Attachment, Section C, General Criteria – 6, Historical & Projected Utilization, p. 140 for the details and methodology used to project utilization.

ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.

- All projects should have a project cost of at least \$3,000 on Line F. (Minimum CON Filing Fee). CON filing fee should be calculated from Line D. (See Application Instructions for Filing Fee)
- The cost of any lease should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater.
- The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.
- For projects that include new construction, modification, and/or renovation; documentation must be provided from a contractor and/or architect that support the estimated construction costs.

The cost of this proposed project is \$4,806,490 for the ten (10) new beds along with the construction of the new private rooms and additional ancillary space, storage building and renovated center spaces. Costs for the proposed project are based on actual cost incurred on projects undertaken by NHC and based on the experience of Johnson & Bailey, Architects. Estimates provided are considered to be consistent with past experience and to be based on sound assumptions.

Special efforts to be made by the applicant to contain the costs of offering the proposed services are the following:

- a. Group Purchasing
- b. Shared Services
- c. Energy Conservation
- d. Controlled Management Costs
- e. Cost and Quality Control

Please see Attachment "Section C - Economic Feasibility – 1 Project Cost Chart" located on page 154 at the end of the application.

PROJECT COSTS CHART

A. Construction and equipment acquired by purchase:

1. Architectural and Engineering Fees _____
2. Legal, Administrative (Excluding CON Filing Fee),
Consultant Fees _____
3. Acquisition of Site _____
4. Preparation of Site _____
5. Construction Costs _____
6. Contingency Fund _____
7. Fixed Equipment (Not included in Construction Contract) _____
8. Moveable Equipment (List all equipment over \$50,000) _____
9. Other (Specify) _____

B. Acquisition by gift, donation, or lease:

1. Facility (inclusive of building and land) _____
2. Building only _____
3. Land only _____
4. Equipment (Specify) _____
5. Other (Specify) _____

C. Financing Costs and Fees:

1. Interim Financing _____
2. Underwriting Costs _____
3. Reserve for One Year's Debt Service _____
4. Other (Specify) _____

D. Estimated Project Cost
(A+B+C)

E. CON Filing Fee

F. Total Estimated Project Cost
(D+E)

TOTAL _____

2. Identify the funding sources for this project.

- a. **Please check the applicable item(s) below and briefly summarize how the project will be financed. (Documentation for the type of funding *MUST* be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)**

The proposed project has the following source of funds: A commitment of working capital has been secured from National HealthCare Corporation. Debt incurred for the project will be retired as reflected on Projected Data Chart.

- ☐ A. Commercial loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
- ☐ B. Tax-exempt bonds--Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
- ☐ C. General obligation bonds—Copy of resolution from issuing authority or minutes from the appropriate meeting.
- ☐ D. Grants--Notification of intent form for grant application or notice of grant award; or
- ☒ E. Cash Reserves--Appropriate documentation from Chief Financial Officer.
- ☐ F. Other—Identify and document funding from all other sources.
Please see letter indicating the required information in Attachment "Section C Economic Feasibility – 2" located on page 158 at the end of the application.

3. Discuss and document the reasonableness of the proposed project costs. If applicable, compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.

The proposed project is reasonable in relation to similar facilities in the state. The construction cost per square foot is \$158.75 which is comparable to similar types of projects in the state taking into consideration the proposed project includes both a bed conversion (semi-private room to private room), construction of 22 private bed rooms, and addition and renovation of existing square footage of the building. Furthermore, project costs are reasonable and inline with our past experience. Thus, quality nursing services and the continuum of care will be expanded in the local area cost effectively.

**Nursing Home Construction Cost Per Square Foot
Years: 2012 – 2014**

	Renovated Construction	New Construction	Total Construction
1st Quartile	\$48.13/sq. ft.	\$152.80/sq. ft.	\$110.15/sq. ft.
Median	\$70.26/sq. ft.	\$170.48/sq. ft.	\$152.80/sq. ft.
3rd Quartile	\$101.00/sq. ft.	\$185.00/sq. ft.	\$174.53/sq. ft.

Source: HSDA website, Tennessee.gov/HSDA/article, HSDA, Applicant Toolbox, Construction Cost Per Square Foot Ranges. Source of information is CON approved applications for years 2012 through 2014, 6/1/2015.

4. Complete Historical and Projected Data Charts on the following two pages--Do not modify the Charts provided or submit Chart substitutions! Historical Data Chart represents revenue and expense information for the last *three (3)* years for which complete data is available for the institution. Projected Data Chart requests information for the two (2) years following the completion of this proposal. Projected Data Chart should reflect revenue and expense projections for the *Proposal Only* (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility).

Please see Attachment "Section C Economic Feasibility – 4 Historical & Projected Data Chart" located on page 168 at the end of the application.

5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge. The Projected Data Chart was used as the source for the requested calculations.

	Year One (Patient Days 3,119)	Year Two (Patient Days 3,471)
Average Gross Charge	\$633.32	\$658.67
Average Deduction	\$181.91	\$198.22
Average Net Charge	\$451.41	\$460.45

HISTORICAL DATA CHART

Give information for the last *three (3)* years for which complete data are available for the facility or agency. The fiscal year begins in _____ (Month).

	Year _____	Year _____	Year _____
A. Utilization Data (Specify unit of measure)	_____	_____	_____
B. Revenue from Services to Patients			
1. Inpatient Services	\$ _____	\$ _____	\$ _____
2. Outpatient Services	_____	_____	_____
3. Emergency Services	_____	_____	_____
4. Other Operating Revenue (Specify) _____	_____	_____	_____
Gross Operating Revenue	\$ _____	\$ _____	\$ _____
C. Deductions for Operating Revenue			
1. Contractual Adjustments	\$ _____	\$ _____	\$ _____
2. Provision for Charity Care	_____	_____	_____
3. Provisions for Bad Debt	_____	_____	_____
Total Deductions	\$ _____	\$ _____	\$ _____
NET OPERATING REVENUE	\$ _____	\$ _____	\$ _____
D. Operating Expenses			
1. Salaries and Wages	\$ _____	\$ _____	\$ _____
2. Physician's Salaries and Wages	_____	_____	_____
3. Supplies	_____	_____	_____
4. Taxes	_____	_____	_____
5. Depreciation	_____	_____	_____
6. Rent	_____	_____	_____
7. Interest, other than Capital	_____	_____	_____
8. Other Expenses (Specify) _____	_____	_____	_____
Total Operating Expenses	\$ _____	\$ _____	\$ _____
E. Other Revenue (Expenses) – Net (Specify)	\$ _____	\$ _____	\$ _____
NET OPERATING INCOME (LOSS)	\$ _____	\$ _____	\$ _____
F. Capital Expenditures			
1. Retirement of Principal	\$ _____	\$ _____	\$ _____
2. Interest	_____	_____	_____
Total Capital Expenditures	\$ _____	\$ _____	\$ _____
NET OPERATING INCOME (LOSS)			
LESS CAPITAL EXPENDITURES	\$ _____	\$ _____	\$ _____

PROJECTED DATA CHART

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in _____ (Month).

	Year _____	Year _____
A. Utilization Data (Specify unit of measure)	_____	_____
B. Revenue from Services to Patients		
1. Inpatient Services	\$ _____	\$ _____
2. Outpatient Services	_____	_____
3. Emergency Services	_____	_____
4. Other Operating Revenue (Specify) _____	_____	_____
Gross Operating Revenue	\$ _____	\$ _____
C. Deductions for Operating Revenue		
1. Contractual Adjustments	\$ _____	\$ _____
2. Provision for Charity Care	_____	_____
3. Provisions for Bad Debt	_____	_____
Total Deductions	\$ _____	\$ _____
NET OPERATING REVENUE	\$ _____	\$ _____
D. Operating Expenses		
1. Salaries and Wages	\$ _____	\$ _____
2. Physician's Salaries and Wages	_____	_____
3. Supplies	_____	_____
4. Taxes	_____	_____
5. Depreciation	_____	_____
6. Rent	_____	_____
7. Interest, other than Capital	_____	_____
8. Other Expenses (Specify) _____	_____	_____
Total Operating Expenses	\$ _____	\$ _____
E. Other Revenue (Expenses) -- Net (Specify)	\$ _____	\$ _____
NET OPERATING INCOME (LOSS)	\$ _____	\$ _____
F. Capital Expenditures		
1. Retirement of Principal	\$ _____	\$ _____
2. Interest	_____	_____
Total Capital Expenditures	\$ _____	\$ _____
NET OPERATING INCOME (LOSS)		
LESS CAPITAL EXPENDITURES	\$ _____	\$ _____

6. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

Patient Charge/Reimbursement	Year 1 (04/2019) <u>Proposed</u>	Year 2 (04/2020) <u>Proposed</u>
Managed Care	\$414.78	\$423.07
Medicare	\$463.23	\$472.50
Private Pay	\$248.80	\$258.75

The proposed CON project calls for the addition of 10 new SNF beds to the existing 94 bed nursing home called NHC HealthCare, Cookeville. Please note that the existing rates for NHC HealthCare, Cookeville can be found in Section C, Economic Feasibility, six (6) B. Consequently, once the Medicare RUG rates were projected, they were inflated 3.0% annually. The anticipated revenue from the proposed project is sufficient to produce positive net operating income in year two of \$12,790.

- B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).**

Please see Attachment "Section C – Economic Feasibility – 6b Estimated Rates" on page 198 at the end of the application for a comparison of the proposed charges to those of similar facilities in Putnam County. Please note that Medicare reimburses providers via a perspective payment system. Providers are compensated equally based on the particular service rendered. A comparison of the 2014 rates, JAR, inflated 4.5% a year to the projected 2018 opening show the proposed charges to be similar.

7. Discuss how projected utilization rates will be sufficient to maintain cost-effectiveness.

The projected utilization rates are sufficient to maintain cost-effectiveness. Please see the proforma Projected Data Chart located in the Attachments to this CON application on page 171 including page 180 for a two-year projection showing utilization rates sufficient to maintain cost effectiveness.

8. Discuss how financial viability will be ensured within two years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.

The nursing home is projected within the second year to have sufficient positive cash flow to achieve financial viability. (Please see Projected Data Chart on page 171 of the attachments and page 159 documenting the availability of sufficient cash for the project)

9. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. In addition, report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.

The proposed project will be accessible to patients eligible for nursing home care. Medicare, insurance and private funded payment sources and Medicaid are accepted by the center. Patient payor mix for NHC HealthCare, Cookeville has been projected in the proforma based on NHC's experience and assumptions based on the acute care market place needs.

The estimated dollar amount of revenue and percentage of total project revenue anticipated by payor source for year one is as follows:

Medicare	\$1,149,988	81.68%
Managed Care	\$ 257,527	18.29%
Other Revenue	\$ 444	0.03%
Total	\$1,407,959	100%

Source: Attachments, page 196 of the financial proforma assumptions.

10. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility-10.

Please see Attachment "Section C Economic Feasibility - 2 page 159 at the end of the application for the most recent audited financial statements for NHC (year end 12/31/2015) in the most recently available 10K.

11. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:

- a. A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.**

After compiling all of the facts, it was decided that the best alternative would be to add ten (10) additional beds to the existing 94 bed NHC HealthCare, Cookeville. This proposal will allow NHC HealthCare, Cookeville to meet the long-term care needs of the residents of Putnam County and continue to offer the medical community, as well as others, access to a convenient high quality provider that will help to ensure continuity of care for its patients in the coming years.

- (a) Do nothing. This option was rejected based on the centers occupancy and growing demand for our services. The center badly needs to offer private rooms to our patients. This option would not allow our center to modernize and offer patients and families the type of amenities they look for when evaluating a long term care facility. Our desire is to continue to serve the local hospitals and Putnam County residents' health care needs for years to come.
- (b) Request more than 10 beds. This proposal was considered but rejected because the proposed ten (10) beds with allow an efficiency of operation and design by bringing the center closer to a 60 bed standard. The projected need in Putnam County is for an additional 51 Medicare beds in 2018.
- (c) Request fewer than 10 beds. This proposal was considered but rejected based on project financial feasibility and our goal to increase operational efficiency. To accommodate the projected growth and need for skilled beds for the year 2018, additional beds should be added. The bed need projected by the new Nursing Home Services, Certificate of Need Standards and Criteria shows a need for 51 additional skilled beds by year 2018. Our request is for 10 beds to open by middle 2017.
- (d) Add 10 new Medicare beds to the existing 94 bed center along with the addition of 24 private rooms and new therapy space, renovation of the kitchen and other ancillary areas and a new storage building. This proposal was considered and accepted. The proposed project will be able to use existing resources and continue to offer the skilled nursing services. The centers site is in an area of town which offers good access to other areas of Putnam County. This proposal is being pursued because it meets the projected needs and orderly development of the health care community in Putnam County.
- b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.**

NHC has chosen an alternative that relies on both renovation and new construction by deciding to utilize existing space within NHC HealthCare, Cookeville and to renovation existing center space. Since the center was originally constructed in 1975, there are areas of the building and the original design that can and will be addressed as part of this project that will bring the center up to today's consumer expectations and demands.

(III.) CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. **List all existing health care providers (e.g., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g., transfer agreements, contractual agreements for health services.**

Transfer agreements have been established between all relevant health care providers in the community including but not limited to the following:

Cookeville Regional Medical Center
Saint Thomas
Vanderbilt
Saint Thomas – Highlands Hospital
Livingston Regional Hospital
Erlanger - Chattanooga
Other Putnam County and surrounding health care providers

Contractual relationships have been drawn up with a Medical Director, Dietary Consultant, Physical Therapist, Medical Record Consultant, and Therapists for other treatment such as oxygen therapy. Contractual relationships are established with local dentists, optometrists, gerontologists and other specialized physicians, in order to meet the needs of the patients.

A licensed pharmacist is a member of the Pharmacy Committee, and a pharmacy has been awarded a contract to supply medications for the patients. If a patient does not wish to use the pharmacy with which the facility has contracted, the patient will have the choice of the pharmacy he chooses to use provided the pharmacy agrees to the mandates of the State regulations and the rules and regulations of the nursing home.

It is the intent of this facility to meet all the requirements of the TN Department of Health with regard to agreements, contractual arrangements and participation by health care professionals. The following is the process, which has been established to coordinate and provide for a continuum of care in the project in conjunction with other providers:

Purpose: The purpose of being actively involved in the community continuum of care is to provide the consumer within our market area the opportunity to acquire the most appropriate level and type of services for his/her needs. These needs relate to medical support, personal care, personal maintenance and nutritional guidance. We will focus on coordinating our services with other health care providers through effective communication and teamwork.

Targeted Population: Although the targeted population is diverse due to the multifaceted nature of the continuum of care, two groups dominate NHC's particular services on the continuum.

1. Individuals in other community settings who need services devoted to rehabilitation and short-term stays in the healthcare center.
2. Persons who can no longer be maintained or cared for in their current setting and need 24-hour care for chronic and/or debilitating conditions of a long-term nature.

Methodology:

Step 1: Maintain a listing of Current Community Resources-This listing is categorized according to type of service contact person for each organizations. Standard categories, with the function as it relates to our facility include the following:

<u>Organization</u>	<u>Function</u>
Hospitals	Discharge sub-acute patients to more cost-effective nursing centers.
Hospices	Care for special group of terminally ill.
Residential Facilities	Residential institution for those unable to maintain independent lifestyles but do not need intense Medical Care.
Assisted Living (ALF)	Group environment to prevent immediate admission to long-term care facility.
Home Health Care	Provides Medical treatment on less expensive environment than institution.
Home Support	Household or personal services essential to any home health care program.
Adult Day Care	Needed respite service for family support while care provided at home.
Nutrition Programs	Health promotions service which also acts to encourage socialization and prevent isolation.
Senior Centers/ Recreation Services	Acts to improve quality of life and encourages socialization

Step 2: All potential nursing center patients and referrals are pre-screened to determine whether the person's condition warrants admission to the nursing center. If admission to the nursing center is not appropriate, and if the person's condition is such that he can be cared for at home with assistance, the Admissions Director and the Social Services Director will refer the person and his family to the appropriate service provider. This will ensure that elderly persons are not being inappropriately admitted to the nursing center and coordination of other services is maintained.

For elderly persons admitted to the nursing center, discharge planning will ensure that patients are discharged to a non-institutional setting when their physical condition improves. Discharge planning begins upon the patient's admission to the center. At that time, the Admissions Director and Social Services Director will meet with the patient and his family to discuss the availability of suitable accommodations following discharge as determined by the initial assessment.

The patient's progress is monitored and reassessed on a regular basis to determine whether the patient is a candidate for transfer to the community. The Social Services Director, who is part of the center's interdisciplinary care team, will update each patient's medical record with progress notes regarding discharge planning on a regular basis. If discharge has been determined to be appropriate, the Social Services Director will advise the patient and his family of the availability of community support systems, such as home health care, adult day care, etc. The Social Services Director will serve as the liaison between the patient, his family, and the appropriate provider to coordinate the discharge home and the linkage for support services.

Linkages to facilitate referrals and transfers are established through formal working agreements and referral arrangements. These agreements are established prior to facility opening to ensure immediate linkages. Given the fact that NHC already operates in Putnam County, the center addition will benefit from established referral agreements with the targeted organizations listed above.

Responsible Position: The center's Admissions Director and Social Services Director are responsible for ensuring that potential patients who inquire at the center for admission are referred to the appropriate provider if admission to the nursing center is not warranted or if such service is needed. The Social Services Director is responsible for discharge planning to ensure that patients are discharged from the center when they are ready and that transfer to a semi-institutional setting or to home with appropriate support services is successfully coordinated. Through their ongoing work, the Admissions Director and Social Services Director will maintain linkages and working relationships with providers of non-institutional services.

Desired Outcome: The desired outcome is to ensure that discharges and/or referrals to support services are available and coordinated in a timely manner for patients who no longer require nursing home care and for elderly inquiring at the center for services, but who are inappropriate for admission.

- 1) Become a strong link in the chain of health care providers as it relates to an overall continuum of care.
- 2) Improve and enhance proper service utilization.
- 3) Improve patients' medical conditions by using available avenues.
- 4) Reduce cost by eliminating duplication of services.

Measurement of Outcome: The Admissions Director and Social Services Director will maintain a record of inquiries and referrals of elderly persons seeking long-term care services. These records are reviewed through Quality Assurance and state licensure surveys to determine if appropriate referrals are being made.

Patient medical records are reviewed on a regular basis by the interdisciplinary care team to determine if discharge from the nursing center is appropriate, and if discharge planning goals are being updated or modified. Discharge planning will also be monitored through Quality Assurance surveys and state licensure surveys. Utilization review is conducted every month for Medicare patients. Monitoring of discharge planning will promote the utilization of less intensive, non-institutional services whenever possible.

To integrate and utilize other providers in the health care network the center has established and will have linkages with others in the health care network through the following process:

Purpose: To promote the utilization of less intensive, non-institutional services such as home health care, adult day care, meals on wheels, etc. Since the proposed nursing center will not offer these services, linkages are established with providers of these services to ensure accessibility and transfer when appropriate by nursing center patients.

Targeted Population: Persons targeted for referral to non-institutional services are those nursing center patients whose health has improved to the point where they no longer require 24-hour nursing supervision and are eligible for transfer to home or to a semi-institutional setting, with support services. Referrals will also be made for persons inquiring at the center for long-term care services, but whom after pre-screening, are determined to be inappropriate for nursing home admission.

Linkages are developed by the center with other providers in Putnam County to provide services not offered by the center. Putnam County has over 9 home health agencies, 4 hospice and 3 assisted living providers. Although the residents will have a choice in health care providers, following is a list of some providers the facility will work with to provide services not offered by the center.

Home Health Agencies

Amedisys Home Health
CareAll
Deaconess
Highland Rim
NHC HomeCare
Suncrest Home Health
Quality Home Health
Intrepid

Hospice

Avalon
Caris Hospice
Gentiva
Upper Cumberland

Meals on Wheels

Area Meals on Wheels

Assisted Living Centers

Cedar Hills
Heritage Pointe
Morningside

Misc.

Diverse Medical Management
Trident USA
Psych-Services LLC
One Care Dental
Linde

Desired Outcome: The desired outcome is to ensure that discharges and/or referrals to non-institutional support services are available and coordinated in a timely manner for patients who no longer require nursing home care and for elderly inquiring at the center for services, but who are inappropriate for admission.

Consequently, transfer agreements are established between all relevant health care providers in the community.

Contractual relationships are established with local dentists, optometrists and other specialized physicians, in order to meet the needs of the patients.

A licensed pharmacist is a member of the Pharmacy Committee, and a pharmacy supplies medications for the patients. If a patient does not wish to use the pharmacy with which the facility has contracted, the patient will have the choice of the pharmacy he chooses to use provided the pharmacy agrees to the mandates of the State regulations and the rules and regulations of the nursing home.

It is the intent of this facility to meet all the requirements of the TN Department of Health with regard to agreements, contractual arrangements and participation by health care professionals.

- 2. Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.**

National Health Corporation is requesting the authority to add 10 new Medicare SNF nursing home beds to an existing 94 bed nursing home center located in the Cookeville, Tennessee market. The results are seen to have positive effects for both the long-term care industry and the growing aging population in Putnam County.

National HealthCare Corporation is one of the largest providers of post-acute care beds and services in the State of Tennessee, of which National Health Corporation is a subsidiary. NHC HealthCare, Cookeville is committed to providing the highest quality of care at maximum efficiency. Through the proposed project, NHC will continue with its commitment to improve both efficiency and care in Putnam County.

This project will serve as an expansion of needed skilled nursing home beds and services to the residents of Putnam County. The proposed project will serve as a referral source for home health agencies, assisted living centers, doctors and area hospitals. This project will not have negative effects on the health care system of duplication or competition because the 10 beds represent only a fraction of the 51 beds projected in the State's formula to be needed by 2018 in Putnam County. In addition, these beds will serve the growing quality care long term care bed needs in the acute care delivery system.

3. **Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTEs for these positions. Additionally, please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development and/or other documented sources.**

For over forty years, NHC has been staffing and providing nursing home care in Putnam County. Staff salaries used in the financial projects are reasonable in comparison with prevailing wage patterns in the area. We know this to be true based on our ability to currently staff a nursing home to the required levels in Putnam County as well as all of our other operations across the State of Tennessee and the other state we operate in presently. Wage and salaries used in the proforma projections are consistent with what is currently offering at NHC HealthCare, Cookeville, in the market area, and inflated forward to center opening. Surveys conducted by the Tennessee Department of Labor and Workforce Development by area allow NHC to remain competitive with staff salaries in comparison with prevailing wage patterns in the area.

Please see Attachment “Section C Economic Feasibility – 4” located on page 197 at the end of the application for the current and/or anticipated staffing pattern for all employees providing patient care for the project reported using FTEs for these positions.

Please see Attachment “Section III Contribution of Orderly Development – 3” located on page 204 at the end of the application for the for the comparison of the clinical staff salaries to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development.

4. **Discuss the availability of and accessibility to human resources required by the proposal, including adequate professional staff, as per the Department of Health, the Department of Mental Health and Developmental Disabilities, and/or the Division of Mental Retardation Services licensing requirements.**

Please see Attachment "Section C Economic Feasibility – 4" located on page 197 at the end of the application for a listing of projected human resources required by the proposal per the licensing requirements of the Department of Health. The proposed project will require a total of 10.55 FTE's of which 6.8 FTE's are in nursing (LPN's & Aides) (Year 2). NHC is approved to provide CNA training programs in-house at many of its centers; it currently does not have that need at NHC HealthCare, Cookeville, but nevertheless maintains the ability to staff the projected FTE increase based on its current staff and potential employees on file.

5. **Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. These include, without limitation, regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review policies and programs, record keeping, and staff education.**

The applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. Specifically, the applicant is familiar with the Rules of the Tennessee Department of Health, Board for Licensing Health Care Facilities, Chapter 1200-8-6, Standards for Nursing Homes.

6. **Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).**

NHC has been in operation for over 45 years and is currently operating NHC HealthCare, Cookeville, an established center in Putnam County. NHC HealthCare, Cookeville has generated a lot of interest from professional nursing personnel in the community. NHC recognizes that staffing shortages are an issue across the nation. Nevertheless, NHC has operated in the Putnam County since 1975 and based on that experience, does not expect to have a problem staffing the proposed project.

The anticipated medical personnel (FTE's) required for the ten (10) bed addition, at 95.1% occupancy in year two, during the three shifts, is as follows:

<u>Personnel</u>	<u>Total FTE's</u>
Aides	4.0
LPN's	2.80
Medical Records	0.25
Dietary	1.05
Laundry	0.35
Housekeeping	2.10

Staffing at long-term health care facilities is, of course, dependent on the availability of licensed and unlicensed personnel in the market area. While a review of the general market area of this facility indicates that NHC's recruitment efforts should have little impact on existing facilities, NHC has a company-wide policy to provide in-house education and incentive programs to assist in obtaining licensed as well as certified non-licensed personnel. Company strives to have each health care center owned or managed by NHC will have two partners attending nursing school under a scholarship program.

Secondly, NHC has identified areas in which there appear to be acute shortages of licensed personnel and in these areas has an active scholarship program at all 2 and 4-year nursing schools, as well as a recruitment effort with the graduating high school classes. This program, which was initiated in 1987, has attained excellent success. In addition to the educational push for licensed personnel, the Company operates a full in-house certification program for nurse aides and technicians. The program is headed up by a registered nurse located in Knoxville, Tennessee, concentrates on utilizing existing vocational schools and/or nonprofit groups to provide classroom space. Classes are run, on the average, every two months and reach a dozen or so potential nurse aides or technicians in each program. At the end of

the course, the individuals who graduate are eligible to participate as certified nurse aides in all of the southeastern states, which have such certification courses.

Finally, the Company runs an intensive administrator-in-training program, which takes college graduates and works them through a 24-month training program, learning every aspect of the management and administration of long-term health care centers. More than half of the company's administrators are presently graduates of this program. All in all, the company has the highest commitment to the continuing education of its partners and the recruitment of qualified outside individuals with intent to assist their educational activities to help meet the continuing health care needs of the aging population of America.

National HealthCare Corporation prides itself and owes much of its success to over 11,000 partners. NHC realizes that staffing of medical facilities across the country is becoming more of a problem. However, NHC has managed to avoid many of the staffing problems experienced by other operators by offering competitive salaries and extended benefits to all levels of personnel. The NHC philosophy is to operate as a team, with every job having equal bearing on our desired goal to provide the best possible long-term health care to the growing elderly population. All company partners are carefully screened for each job to ensure that the best possible placement. The company attitude toward all its partners along with competitive salaries and a friendly, secure, professional work environment has enabled NHC to attract the kind of team that has made it so successful for over forty five (45) years. NHC also has many strict requirements and company training programs (which are nationally recognized) that continue the level of expertise necessary to deliver state of the art nursing care. Consequently, NHC has an outstanding record for low staff turnover in the industry.

NHC HealthCare, Cookeville draws nurses from the surrounding market area. Staff is often acquired from local advertising, recruitment at area colleges, and word of mouth from other partners. And as stated previously, applicants are drawn from resumes kept on file by NHC.

To provide access by health professional schools and behavioral research projects NHC has established the following:

Purpose: The purpose of NHC's established and proven recruitment plan is to recruit and maintain staff in a variety of disciplines necessary to meet the needs of residents, and provide high quality patient care. The recruitment plan is also used to eliminate and/or reduce reliance on nursing pool personnel and to recruit the highest quality personnel available in the area with the potential for career advancement and longevity. The beneficiaries of staffing retention are the patients that are provided with continuous, superior care.

Targeted Staff Categories: All staff categories, including nursing, social service, administration, dietary, housekeeping, laundry, and maintenance. Particular emphasis is placed on professional and non-professional nursing personnel. NHC has experienced its primary shortage of staff in nurses and nurse aides, and has targeted increased efforts toward the recruitment of personnel in these positions.

Methodology: This recruiting plan has been approved by the management of NHC and has been implemented in all 74 facilities owned and/or managed by NHC. NHC HealthCare, Cookeville will use the following methods:

National HealthCare Corporation's philosophy whenever adding new beds is that the time and effort expended prior to opening in obtaining quality personnel is beneficial for both the company and the patients of the facility. Thus, considerable effort is used to recruit a staff for the facility that meets the following major criteria:

- 1) Each staff member is attuned to the National HealthCare Corporation philosophy of restorative nursing and emphasizing quality of life for our patients; and
- 2) To the extent possible, each staff member has a record of stable employment and a commitment to both the facility and the elderly. The Administrator is trained in the company Administrator program, and will likely be a member of the National HealthCare Corporation corporate staff for training for approximately two (2) years. NHC currently has (10) ten Administrators in its training program. The Administrator and the corporate staff will tailor our Recruitment Plan to meet the local market. The goal of this plan is to put

together a cohesive program of partner recruitment at the outset, which will enable the facility to select and recruit an initial staff, which will have not less than 40% partner retainage after five years.

In order to implement the Recruitment Plan and to recruit new partners after opening the facility, the following methods are used:

The recruitment plan is updated annually to account for changes in local market conditions. A great majority of staff personnel are recruited through traditional means, which include classified advertisements, word of mouth among existing staff members and within the community at-large, and through individuals approaching the facility on a walk-in basis to apply for employment. This method has been quite successful for NHC in attracting staff of varied disciplines to its facilities. National HealthCare Corporation owned and operated facilities enjoy an outstanding reputation in their communities and offer prospective partners an opportunity for growth and advancement while working for a quality nursing home operator in a clean, stable work environment at competitive wages.

Currently NHC includes the following recruiting incentives in its package:

Highly competitive wages	Non-partner Educational Loan Program
Tuition Reimbursement	Continuing Education Program (C.E.U.s)
Ongoing skills training	Earned Time Off
Group Life Insurance	Group Health Insurance (w/ Dental)
Company-Paid Retirement	Partner Stock Purchase Plan
Corporate promotions and recognition	

For nursing personnel, additional recruitment steps are taken to supplement those described above. The first step involves more intensified recruitment for the nurse aid positions to help alleviate shortages experienced within the state. NHC has begun an aggressive recruitment program in Tennessee for nurses and nurse aides aimed at the retired and semi-retired persons living within the service area of its facilities. The program involves both advertising and community outreach in order to invite this targeted group to visit the facility and explore opportunities in the geriatric nursing field. An advantage of this program is the availability of flexible hours, which conform to the needs of the prospective partner. NHC recognizes the retiree/semi-retiree as the largest untapped work force in the service area and in Tennessee as a whole, and desires to benefit from the broad experience, compassion, and understanding these people can bring to the patients and other staff at the facility.

The second step to aid in recruiting nursing personnel to the facility involves integration with the area's educational institutions. To assist with staff recruitment and promote community involvement, the facility will work within the community in the following manner:

- A. DON will serve with local advisory boards of Vocational Technical Schools. In addition, the facility will provide a classroom for Certified Nursing Assistant, Advanced Certified Nursing Assistant, and Home Health Aide Classes. This will provide NHC with an advantage for staff recruitment. Upon graduation from each step, partners are given a banquet dinner, certificates, and monetary raises.
- B. NHC has established relationships with the following educational institutions to aid in recruitment of qualified nursing personnel:

Tennessee Tech University
Tennessee College of Applied Technology – Livingston

Not only are top-notch applicants recruited from the above schools, but all major schools in the Southeast are include in our recruiting plans. Also, all state and national association meetings are well attended including an exhibit booth and display on recruiting. (This includes National meetings of Nurses, Registered Physical Therapists, Speech Pathologists and Occupational Therapists.

Responsible Positions: The overall recruitment plan is implemented initially by the facility's administrator who then reports and has input and output from the National HealthCare Corporation's corporate staff. On an ongoing basis, the Administrator working with department heads are responsible for recruitment. The DON is heavily involved in the recruitment of LPN's and RN's, as is the corporate staff.

Judy W. Powell, R.N., MS, is Senior Vice-President of Patient Services and is responsible for the overall plan of National HealthCare Corporation.

Desired Outcome: The desired outcome is to attract and maintain a full, stable, motivated staff capable of providing the level of patient care expected by the patient and Applicant alike and who respect and strive to maintain the dignity of each and every patient. Particular emphasis is placed on obtaining long-term partners.

Measure of Outcome: The outcome is measured by monthly data collected, maintained and reported in the monthly administrative meeting regarding manpower characteristics.

Specifically, the effectiveness of the Recruitment Plan is measured:

- 1) By the general success of the facility in staff recruitment;
- 2) By the partner turnover rate through either voluntary or involuntary dismissal;
- 3) By facility Quality Assurance and licensure ratings; and
- 4) By overall staff retention for various periods of time.
- 5) Hours of Nurse Registry used during the year.

An overall turnover of 40% of the facility's initial staff and 70% of its professional staff after five years is the goal of the program. Although at some times unavoidable, the use of nursing pool personnel is considered unacceptable and represents a failure of the Recruitment Plan.

Giving partners a choice of a primary care assignment enhances low nursing turnover. A primary care assignment consists of the same nurse and the same nursing assistant taking care of the same patients every day. Partners who do not wish a permanent assignment may choose to work "relief" assignments when primary-care partners are off.

Nursing Administration believes that this greatly improves the quality of continuity since partners who retain the same patients are much more aware of individual patients' preferences. In addition, this enhances a bonding between patients, partners and patient families.

NHC HealthCare, Cookeville has 24-hour RN coverage.

7. (a) **Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental Health and Developmental Disabilities, the Division of Mental Retardation Services, and/or any applicable Medicare requirements.**

The applicant has reviewed and understands the licensure requirements of the Department of Health, and/or any applicable Medicare requirements.

- (b) **Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.**

Licensure: licensed by the State of Tennessee to provide nursing home services

Accreditation: Not Applicable

If an existing institution, please describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility.

NHC HealthCare, Cookeville is licensed by the State of Tennessee to provide nursing home services, please see the attached current license.

Please see Attachment "Section C Economic Feasibility – 7(b) located on page 208 at the end of the application for documentation from the most recent license.

- (c) **For existing licensed providers, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction.**

Please see Attachment "Section C Economic Feasibility – 7(c) located on page 210 at the end of the application for documentation from the most recent licensure/certification inspection and an approved plan of correction.

9. **Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.**

Not Applicable, None.

- 10. Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project**

Not Applicable, None.

- 11. If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.**

If approved, the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required. The applicant files a Joint Annual Report Annually

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper as proof of the publication of the letter of intent.

Please see "Attachment – Proof of Publication" located on page 220 and the "Letter of Intent" located on page 222 at the end of the application.

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DEVELOPMENT SCHEDULE

Tennessee Code Annotated § 68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. Please complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
2. If the response to the preceding question *indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph*, please state below any request for an extended schedule and document the "good cause" for such an extension.

Form HF0004
Revised 05/03/04
Previous Forms are obsolete

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision date, as published in Rule 68-11-1609(c): 07/27/16

Assuming the CON approval becomes the final agency action on that date; indicate the number of days from the above agency decision date to each phase of the completion forecast.

<u>Phase</u>	<u>DAYS REQUIRED</u>	<u>Anticipated Date (MONTH/YEAR)</u>
1. <u>Architectural and engineering contract signed</u>	<u>30</u>	<u>06/16</u>
2. <u>Construction documents approved by the Tennessee Department of Health</u> **	<u>120</u>	<u>12/16</u>
3. <u>Construction contract signed</u>	<u>60</u>	<u>02/17</u>
4. <u>Building permit secured</u>	<u>30</u>	<u>03/17</u>
5. <u>Site preparation completed</u>	<u>60</u>	<u>05/17</u>
6. <u>Building construction commenced</u>	<u> </u>	<u>05/17</u>
7. <u>Construction 40% complete</u>	<u>120</u>	<u>09/17</u>
8. <u>Construction 80% complete</u>	<u>120</u>	<u>01/18</u>
9. <u>Construction 100% complete (approved for occupancy)</u>	<u>90</u>	<u>04/18</u>
10. <u>*Issuance of license</u>	<u>30</u>	<u>05/18</u>
11. <u>*Initiation of service</u>	<u> </u>	<u>05/18</u>
12. <u>Final Architectural Certification of Payment</u>	<u>90</u>	<u>08/18</u>
13. <u>Final Project Report Form (HF0055)</u>	<u> </u>	<u>08/18</u>

* For projects that do NOT involve construction or renovation: Please complete items 10 and 11 only.

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

AFFIDAVIT

STATE OF Tennessee

COUNTY OF Rutherford

Bruce K. Duncan, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.



/Assistant Vice President
SIGNATURE/TITLE

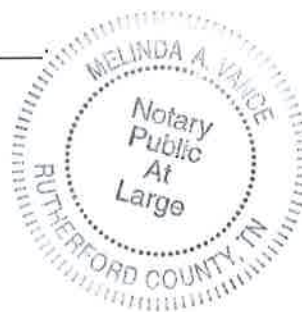
Sworn to and subscribed before me this 12th day of January, 2016 a Notary
(Month) (Year)

Public in and for the County/State of Rutherford/Tennessee.



NOTARY PUBLIC

My commission expires 1/21, 2018
(Month/Day) (Year)



ATTACHMENTS

FOR 2025-2026

Section A. Applicant Profile - 4

Type of Ownership or Control

Articles of Organization, Certificate of Existence, Organizational Chart & Listing of Other Nursing Facilities owned by National Health Corporation



STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Filing Information

Name: **NATIONAL HEALTH CORPORATION**

General Information

SOS Control #	000180082	Formation Locale: TENNESSEE
Filing Type:	For-profit Corporation - Domestic	Date Formed: 10/30/1986
	10/30/1986 4:30 PM	Fiscal Year Close 12
Status:	Active	
Duration Term:	Perpetual	

Registered Agent Address
NATIONAL REGISTERED AGENTS, INC.
STE 2021
800 S GAY ST
KNOXVILLE, TN 37929-9710

Principal Address
KATHY HENDERSON
STE 1400
100 E VINE ST
MURFREESBORO, TN 37130-3773

The following document(s) was/were filed in this office on the date(s) indicated below:

Date Filed	Filing Description	Image #
01/27/2016	2015 Annual Report	B0182-7818
	Principal Address 3 Changed From: No value To: KATHY HENDERSON	
02/27/2015	2014 Annual Report	B0061-0225
02/19/2014	2013 Annual Report	7288-1904
03/05/2013	2012 Annual Report	7156-2936
02/06/2013	Registered Agent Change (by Agent)	7142-1640
	Registered Agent Physical Address 1 Changed From: 2300 HILLSBORO RD To: 800 S GAY ST	
	Registered Agent Physical Address 2 Changed From: STE 305 To: STE 2021	
	Registered Agent Physical City Changed From: NASHVILLE To: KNOXVILLE	
	Registered Agent Physical County Changed From: DAVIDSON COUNTY To: KNOX COUNTY	
	Registered Agent Physical Postal Code Changed From: 37212-4927 To: 37929-9710	
02/22/2012	2011 Annual Report	7002-0466
	Principal Address 1 Changed From: 100 VINE STREET To: 100 E VINE ST	
	Principal Address 2 Changed From: SUITE 1400 To: STE 1400	
	Principal Postal Code Changed From: 37130 To: 37130-3773	
	Principal County Changed From: No value To: RUTHERFORD COUNTY	
02/08/2011	2010 Annual Report	6828-1919

Filing Information

Name: **NATIONAL HEALTH CORPORATION**

02/11/2010 2009 Annual Report	6654-0703
03/19/2009 2008 Annual Report	6480-1097
11/20/2008 Registered Agent Change (by Agent)	6893-2556
Registered Agent Physical Address Changed	
08/14/2008 Registered Agent Change (by Entity)	6363-2092
Registered Agent Physical Address Changed	
Registered Agent Changed	
03/17/2008 2007 Annual Report	6248-2456
03/27/2007 2006 Annual Report	6002-1948
10/12/2006 Registered Agent Change (by Entity)	5876-1273
Registered Agent Changed	
03/08/2006 2005 Annual Report	5710-1210
03/28/2005 2004 Annual Report	5403-0714
03/05/2004 2003 Annual Report	5058-2209
03/26/2003 2002 Annual Report	4768-2333
02/04/2002 2001 Annual Report	4411-0263
02/15/2001 2000 Annual Report	4124-0517
06/16/2000 Notice of Determination	ROLL 3932
02/29/2000 1999 Annual Report	3840-2773
05/14/1996 Articles of Amendment	3171-3082
Name Changed	
12/28/1994 Merger	2931-1548
Name Changed	
Merged Control # Changed From: 000155589	
Merged Control # Changed From: 000180082	
12/03/1990 Articles of Amendment	2001-1262
Shares of Stock Changed	
06/16/1990 Administrative Amendment	FYC/REVENUE
Fiscal Year Close Changed	
04/12/1989 Articles of Amendment	1234-0386
Shares of Stock Changed	
Principal Address Changed	
Registered Agent Physical Address Changed	
Mail Address Changed	
12/14/1988 Articles of Amendment	1080-0720

Filing Information

Name: **NATIONAL HEALTH CORPORATION**

Shares of Stock Changed	
12/12/1988 Articles of Amendment	1074-0279
Shares of Stock Changed	
Principal Address Changed	
Registered Agent Physical Address Changed	
Registered Agent Changed	
04/04/1988 Articles of Amendment	795-1816
Name Changed	
01/19/1988 Articles of Amendment	747-1123
Shares of Stock Changed	
10/30/1986 Initial Filing	647 00950

Active Assumed Names (if any)

Date

Expires

378
FILED

ARTICLES OF AMENDMENT TO THE CHARTER

OF

NATIONAL HEALTHCARE CORPORATION

RECEIVED
\$6 MAY 15 AM 10:05
RILEY CARROLL
SECRETARY OF STATE

Pursuant to the provisions of Section 48-20-106 of the Tennessee Business Corporation Act, the undersigned corporation adopts the following articles of amendment to its charter:

1. The name of the corporation is **National HealthCare Corporation.**

2. The amendment as adopted is:

(a) The name of the corporation is changed to:

National Health Corporation

3. The corporation is a for-profit corporation.

4. The amendment was duly adopted by the Board of Directors and by the sole shareholder of the corporation on December 11, 1995, to be effective January 1, 1995.

Dated: May 8th, 1996

NATIONAL HEALTHCARE CORPORATION

By: Richard F. LaRoche, Jr.
Richard F. LaRoche, Jr.
Senior Vice President

RECORDING FEE 5.00
STATE TAX —
REGISTER'S FEE —
TOTAL PAID 5.00
RECEIPT NO. 64367

State of Tennessee, Rutherford County
I, Mark H. Moshea, Register of said county and state do certify that the foregoing instrument is registered in said office in book B-111 page 377 that it was received May 15, 1996 at 9:15 o'clock AM and entered in notebook 48 page 269
Mark H. Moshea, Reg. Jan Neulitz Deputy

ARTICLES OF MERGER

OF

NATIONAL HEALTHCARE CORPORATION

(a Tennessee corporation)

WITH AND INTO

NATIONAL HEALTH CORPORATION

(a Tennessee corporation)

Pursuant to the provisions of Section 48-21-107 of the Tennessee Business Corporation Act, the domestic corporations herein named adopt the following Articles of Merger:

1. The Plan and Agreement of Merger attached hereto and made a part hereof is the plan of merger for merging National HealthCare Corporation, a Tennessee corporation, with and into National Health Corporation, a Tennessee corporation.
2. The approval by the sole shareholder of National HealthCare Corporation is required to effect the merger, and the attached Plan and Agreement of Merger was duly approved by such shareholder on October 25, 1994.
3. The approval by the sole shareholder of National Health Corporation is required to effect the merger, and the attached Plan and Agreement of Merger was duly approved by such shareholder on October 25, 1994.
4. National Health Corporation will continue its existence as the surviving corporation and will change its name to "National HealthCare Corporation" upon the effective date of the merger.
5. The merger shall become effective as of 12:01 a.m., January 1, 1995.

Executed as of the 22 day of December, 1994.

NATIONAL HEALTHCARE CORPORATION

By:

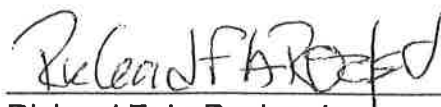
Its:

Richard F. A. R. O. P. J.
Sr. VP

RECEIVED
94 DEC 28 AM 9:55
RILEY HARNELL
SECRETARY OF STATE

NATIONAL HEALTH CORPORATION

By:



Richard F. LaRoche, Jr.
Senior Vice President

PLAN AND AGREEMENT OF MERGER

This Plan and Agreement of Merger (the "Plan of Merger") is entered into by and between NATIONAL HEALTHCARE CORPORATION, a Tennessee corporation ("NHCC") and NATIONAL HEALTH CORPORATION, a Tennessee corporation ("NHC").

NOW, THEREFORE, the parties agree as follows:

1. Terms and Conditions of Merger; Method of Effecting Merger. Upon the Effective Date (as hereinafter defined), NHCC shall merge with and into NHC with NHC being the surviving corporation. The merger shall be effected by the filing of Articles of Merger with the Tennessee Secretary of State.
2. Manner of Converting Shares. Each issued and outstanding share of NHCC will be cancelled and no longer deemed to be outstanding without any action on the holder's part. The separate corporate existence of NHCC shall cease as of the Effective Date.
3. Assumption of Rights and Liabilities by NHC. Upon the Effective Date, NHCC shall be merged into NHC and NHC shall assume all of NHCC's obligations. All rights, powers, privileges and all debts due to NHCC shall be vested in NHC as the surviving corporation.
4. Name Change. NHC shall continue its existence as the surviving corporation and will change its name to "National HealthCare Corporation" upon the Effective Date of the merger.
5. Effective Date. The effective date and time of the merger for accounting, legal and tax reimbursement shall be 12:01 a.m., January 1, 1995.

IN WITNESS WHEREOF, the undersigned have executed this Plan and Agreement of Merger as of the 22 day of December, 1994.

NATIONAL HEALTH CORPORATION

NATIONAL HEALTHCARE CORPORATION

By: Richard F. LaRoche, Jr.
Richard F. LaRoche, Jr.
Senior Vice President

By: Richard F. LaRoche, Jr.
Its: Sr VP

43763-1

State of Tennessee, Rutherford County
I, Mark H. Moshea, Register of said county and state do certify that the foregoing instrument is registered in said office in book A993 page 31 that it was received Jan 3 1995 at 9:13 o'clock A. M and entered in notebook 45 page 487 Mark H. Moshea, Reg. Donna Stew Deputy

RECORDING FEE 5.00
STATE TAX —
REGISTER'S FEE —
TOTAL PAID 5.00
RECEIPT NO. 12074

FILED

RECEIVED
STATE OF TENNESSEE

1990 DEC -3 PM 3:19

BYRON T. LEE
SECRETARY OF STATE

720

ARTICLES OF AMENDMENT TO CHARTER
OF
NATIONAL HEALTH CORPORATION

Pursuant to the provisions of Section 48-20-106 of the Tennessee Business Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Charter:

1. The name of the corporation is NATIONAL HEALTH CORPORATION.

2. The charter amendments hereby adopted are as follows:

- a. The number of shares which the Corporation is authorized to issue shall be increased from 100,000,000 shares, \$1.00 par value per share, to 500,000,000 shares of common stock.

The following shall be and hereby are added as new paragraphs to the charter of National Health Corporation, as heretofore amended or restated:

- b. To the fullest extent permitted by the Tennessee Business Corporation Act as the same became effective on January 1, 1988 or as it may thereafter be amended from time to time, a director of the corporation shall not be liable to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director. If the Tennessee Business Corporation Act is amended, after approval by the shareholders of this provision, to authorize corporate action further eliminating or limiting the personal liability of a director, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the Tennessee Business Corporation Act, as so amended from time to time. Any repeal or modification of this Section 8 by the shareholders of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification or with respect to events occurring prior to such time.
- c. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (hereafter a

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STATE OF TENNESSEE
3 DEC -3 PM 3:19
BRYANT VILLAGE
SECRETARY OF STATE

"proceeding"), by reason of the fact that he is or was a director of the corporation or is or was serving at the request of the corporation as a director of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans (hereinafter an "indemnatee"), whether the basis of such proceeding is alleged action in an official capacity as a director or in any other capacity while serving as a director shall be indemnified and held harmless by the corporation to the fullest extent authorized by the Tennessee Business Corporation Act, as the same became effective on January 1, 1988 or may thereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than such law permitted the corporation to provide prior to such amendment), against all expense, liability and loss (including but not limited to counsel fees, judgments, fines, ERISA, excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnatee in connection therewith and such indemnification shall continue as to an indemnatee who has ceased to be a director and shall inure to the benefit of the indemnatee's heirs, executors and administrators. The right to indemnification conferred in this Section shall be a contract right and shall include the right to be paid by the corporation the expenses incurred in any such proceeding in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that an advancement of expenses incurred by an indemnatee shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such indemnatee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such indemnatee is not entitled to be indemnified for such expenses under this Section or otherwise (hereinafter an "undertaking"); the indemnatee furnishes the corporation with a written affirmation of his good faith belief that he has met the standards for indemnification under the Tennessee Business Corporation Act; and a determination is made that the facts then known to those making the determination would not preclude indemnification.

The corporation may indemnify and advance expenses to an officer, employee or agent who is not a director to the same extent as to a director by specific action of its board of directors or by contract.

722

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STATE OF TENNESSEE

1990 DEC -3 PM 3:20

BRYANT WILLIAMS
SECRETARY OF STATE

The rights to indemnification and to the advancement of expenses conferred in this Section 9 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, this Charter, bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

The corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Tennessee Business Corporation Act.

3. The corporation is a for-profit corporation.

4. The amendment was duly adopted by the joint unanimous written consent of the board of directors and shareholders of the corporation on ~~November 1~~, 1990.
October 30

5. The amendment shall be effective when these articles are filed with the Secretary of State.

Dated: November 27th, 1990.

NATIONAL HEALTH CORPORATION

By: Richard F. LaRoche, Jr.
Richard F. LaRoche, Jr.
Senior Vice President
and Secretary

GAC/d9
char-ame.nhc

RECORDING FEE 5.00
STATE TAX —
REGISTER'S FEE —
TOTAL PAID 5.00
RECEIPT NO. 6827

BART YEARGAN, REGISTER	
RUTHERFORD COUNTY, TENNESSEE	
Received <u>Dec. 6</u>	19 <u>90</u>
Time <u>9:52</u>	<u>A. M.</u>
Book <u>39</u>	Page <u>282</u>
<u>Trust</u> BOOK <u>A705</u>	PAGE <u>719</u>
Deputy <u>Donna Stem</u>	

009741

FILED

STATE OF TENNESSEE

656

APR 12 11:06

ARTICLE OF AMENDMENT TO CHARTER

ENTRY CLERK
SECRETARY OF STATE

OF

NATIONAL HEALTH CORPORATION

Pursuant to the provisions of Section 48-16-102 and 48-20-106 of the Tennessee Business Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Charter:

1. The name of the corporation is NATIONAL HEALTH CORPORATION.
2. The charter amendments hereby adopted are as follows:
 - a. The number of shares which the Corporation is authorized to issue shall be increased from 40,000,000 shares, \$1.00 par value per share, to 100,000,000 shares of common stock.
 - b. Without the consent of a majority of the shareholders, the Board of Directors shall not be authorized to issue any authorized but unissued shares to any person other than existing shareholders.
 - c. The corporation's registered office is located at 100 Vine Street, Suite 1400, Murfreesboro, County of Rutherford, Tennessee 37130. The corporation's registered agent at that office is Richard F. LaRoche, Jr., duly authorized officer and General Counsel.
 - d. The corporation's principal office is located at 100 Vine Street, Suite 1400, Murfreesboro, County of Rutherford, Tennessee 37130.
 - e. The mailing address for the corporation is P. O. Box 1398, Murfreesboro, Tennessee 37130.
3. The corporation is a for-profit corporation.
4. All of the other terms and conditions of the original Charter of National Health Corporation are hereby ratified and affirmed.
5. The amendment was duly adopted at a meeting of the Board of Directors and shareholders of the corporation held on April 3, 1989.

Dated: April 10, 1989.

NATIONAL HEALTH CORPORATION

BY: Richard F. LaRoche, Jr.

Richard F. LaRoche, Jr.

Senior Vice President & Secretary

HOMER JONES, REGISTER	
RUTHERFORD COUNTY, TENNESSEE	
Received	<u>May 12</u> 19 <u>89</u>
Time	<u>9:35</u> A.M.
Notebook	<u>37</u> Page <u>352</u>
<u>Trust</u> BOOK	<u>A636</u> PAGE <u>656</u>
Deputy	<u>Donna Stem</u>

RECORDING FEE	<u>5.00</u>
STATE TAX	<u>—</u>
REGISTER FEE	<u>—</u>
TOTAL PAID	<u>5.00</u>
RECEIPT NO.	<u>88243</u>

FILED

027772

RECEIVED
STATE OF TENNESSEE

1988 DEC 14 PM 3:02

CLERK OF COURT
SECRETARY OF STATE

ARTICLE OF AMENDMENT TO CHARTER

OF

NATIONAL HEALTH CORPORATION

Pursuant to the provisions of Section 48-16-102 and 48-20-106 of the Tennessee Business Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Charter:

1. The name of the corporation is NATIONAL HEALTH CORPORATION.
2. The charter amendments adopted are as follows:
 - a. The number of shares which the Corporation is authorized to issue shall be increased from 20,000,000 shares, \$1.00 par value per share, to 40,000,000 shares at \$1.00 par value.
 - b. Without the consent of a majority of the shareholders, the Board of Directors shall not be authorized to issue any authorized but unissued shares to any person other than existing shareholders.
3. The corporation is authorized to issue up to 40,000,000 shares of stock.
4. The corporation's registered office is located at 814 South Church Street, Murfreesboro, County of Rutherford, Tennessee 37129. The corporation's registered agent at that office is Richard F. LaRoche, Jr., duly authorized officer and General Counsel.
5. The corporation's principal office is located at 814 South Church Street, Murfreesboro, County of Rutherford, Tennessee 37130.
6. The corporation is a for-profit corporation.
7. All of the other terms and conditions of the original Charter of National Health Corporation are hereby ratified and affirmed.
8. The amendment was duly adopted at a meeting of the shareholders of the corporation on October 27, 1988, and at a meeting of the Board of Directors of the corporation on October 27, 1988.

Dated: December 13, 1988.

NATIONAL HEALTH CORPORATION

BY:

Richard F. LaRoche, Jr.

Senior Vice President & Secretary

HOMER JONES, REGISTER
RUTHERFORD COUNTY, TENNESSEE

Received Dec 15 19 88

Time 10:45 A.M.

Notebook 37 Page 95

BOOK 4619 PAGE 477

Deputy Keri Dutcher

RECORDING FEE 5.00
STATE TAX
REGISTER'S FEE
TOTAL PAID 5.00
RECEIPT NO. 77665

476

RECEIVED
STATE OF TENNESSEE

88 DEC 12 PM 1:16

GENTRY CROWELL
SECRETARY OF STATE

027771

ARTICLE OF AMENDMENT TO CHARTER

OF

NATIONAL HEALTH CORPORATION

Pursuant to the provisions of Section 48-16-102 and 48-20-106 of the Tennessee Business Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Charter:

1. The name of the corporation is NATIONAL HEALTH CORPORATION.
2. The charter amendments adopted are as follows:
 - a. The number of shares which the Corporation is authorized to issue shall be increased from 10,000,000 shares, \$1.00 par value per share, to 20,000,000 shares at \$1.00 par value.
 - b. Without the consent of a majority of the shareholders, the Board of Directors shall not be authorized to issue any authorized but unissued shares to any person other than existing shareholders.
3. The corporation is authorized to issue up to 20,000,000 shares of stock.
4. The corporation's registered office is located at 814 South Church Street, Murfreesboro, County of Rutherford, Tennessee 37129. The corporation's registered agent at that office is Richard F. LaRoche, Jr., duly authorized officer and General Counsel.
5. The corporation's principal office is located at 814 South Church Street, Murfreesboro, County of Rutherford, Tennessee 37130.
6. The corporation is a for-profit corporation.
7. All of the other terms and conditions of the original Charter of National Health Corporation are hereby ratified and affirmed.
8. The amendment was duly adopted at a meeting of the shareholders of the corporation on October 27, 1988, and at a meeting of the Board of Directors of the corporation on October 27, 1988.

Dated: November 9, 1988.

NATIONAL HEALTH CORPORATION

BY:

Richard F. LaRoche, Jr.

Senior Vice President & Secretary

RECORDING FEE 5.00
 STATE TAX
 REGISTER'S FEE 5.00
 TOTAL PAID 77665
 RECEIPT NO.

HOMER JONES, REGISTER
 RUTHERFORD COUNTY, TENNESSEE

Received Dec 15 1988
 Time 10:44 A.M.
 Notebook 37 Page 95
 BOOK A619 PAGE 476
 Deputy Arri Dietrich

FILED

ARTICLES OF AMENDMENT TO CHARTER
OF
NHESOP, INC.

002603

ACQUISITION FEE 5.00
STATE TAX —
REGISTRATION FEE —
TOTAL PAID 5.00
RECEIPT NO. 53254

Pursuant to the provisions of Section 48-16-102 and 48-20-106 of the Tennessee Business Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Charter:

1. The name of the corporation is NHESOP, Inc.
2. The charter amendments adopted are as follows:
 - a. The number of shares which the Corporation has authorized to issue shall be increased from 2,000,000 shares, \$1.00 par value per share, to 10,000,000 shares at \$1.00 par value.
 - b. Without the consent of a majority of the shareholders, the Board of Directors shall not be authorized to issue any authorized but unissued shares to any person other than existing shareholders.
3. The corporation is authorized to issue up to 10,000,000 shares of stock.
4. The corporation's registered office is located at 814 South Church Street, Murfreesboro, County of Rutherford, Tennessee 37130. The corporation's registered agent at that office is Richard F. LaRoche, Jr., duly authorized officer and General Counsel.
5. The corporation's principal office is located at 814 South Church Street, Murfreesboro, County of Rutherford, Tennessee 37130.
6. The corporation is a for-profit corporation.
7. All of the other terms and conditions of the original Charter of NHESOP, Inc. are hereby ratified and affirmed.
8. The amendment was duly adopted at a meeting of the shareholders of the corporation on January 16, 1988, and at a meeting of the Board of Directors of the corporation on January 16, 1988.

Dated: January 18, 1988.

NHESOP, INC.

By: Richard F. LaRoche, Jr.
Senior Vice President & Secretary

I, Homer Jones, Register of Rutherford County, do certify that the foregoing instrument is registered in said office in book 576 page 329 that it was received Jan 16 1988 at 8:08 o'clock A M and entered in notebook 36 page 5
Homer Jones, Reg. John Phillips Deputy

329

007265

FILED

RECEIVED

STANDARD TIME

88 APR -4 PM 1:45

GENTRY CROWELL
SECRETARY OF STATEARTICLES OF AMENDMENT TO THE CHARTER OF
NHESOP, INC.

Pursuant to the provisions of Section 48-1-301 of the Tennessee General Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Charter:

1. The name of the corporation is NHESOP, Inc.
2. The amendment adopted is to change the name of the corporation to NATIONAL HEALTH CORPORATION.
3. The amendment was duly adopted by a majority of the shareholders of the Corporation on April 1, 1988.
4. This amendment shall be effective when these articles are filed by the Secretary of State.

Dated this the 1st day of April, 1988.

NHESOP, INC.

BY Richard F. LaRoche, Jr.
Richard F. LaRoche, Jr., Secretary

RECORDING FEE 5.00
STATE TAX —
RECORDING'S FEE —
TOTAL PAID 5.00
RECEIPT NO. 59888

I, Homer Jones, Register of Rutherford County, do certify that the foregoing instrument is registered in said office in Book 4584 page 489 that it was received Apr. 13, 1988 at 10:04 o'clock A.M. on said entered in notebook 34 page 124 Homer Jones, Reg. Rama Shawn Deputy

489

FILED
SECRETARY OF STATE
1986 OCT 30 PM 2:12
STATE OF TENNESSEE
CHARTER

OF
NHESOP, INC.

FEB 17 1988

The undersigned natural person, having capacity to contract and acting as the incorporator of a corporation under the Tennessee General Corporation Act adopts the following charter for such corporation.

CERTIFIED COPY
Gentry Crowell
SECRETARY OF STATE

I.

The name of the corporation is NHESOP, INC.

II.

The duration of the corporation is perpetual.

III.

The address of the principal office of the corporation in the State of Tennessee shall be:

814 South Church Street
Murfreesboro, Rutherford County, Tennessee 37130

IV.

The corporation is for profit.

V.

The purpose or purposes for which the corporation is organized are:

To engage in the business of providing managerial services and related administrative services for business entities and to otherwise engage in any lawful act or activity for which corporations may be organized under the Tennessee General Corporation Law.

To transact any of the foregoing business, acting for itself, or acting for another, or to become a partner or joint venturer in any partnership, or joint venture, engaged in any business which this Corporation is authorized to engage in on its own behalf, and to adopt such assumed name or names as the directors of the Corporation may, by resolution, direct, and the directors of the Corporation shall authorize officers to certify a person or persons to act for the corporation in the conduct of any business, including joint venture or partnership business.

In the furtherance of these purposes, the Corporation shall possess and exercise all powers and privileges granted corporations by the laws of the State of Tennessee now or hereafter enacted, together with any powers incidental thereto so far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business or purposes of the corporation.

VI.

The maximum number of shares that the corporation shall have the authority to issue is 2,000,000 shares \$1.00 par value. All shares shall have equal rights.

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SECRETARY OF STATE
without preferences or preemptive rights. Substantially all the shares of the Corporation may be owned, at all times, only by employees of the Corporation or trusts forming part of employee benefit plans which are described in Section 401(a) of the Internal Revenue Code of 1986, or successor provisions.

VII.

FEB 17 1988

The corporation will not commence business until consideration of One Thousand Dollars (\$1000.00) has been received for the issuance of shares.

VIII.

Henry Crowell
SECRETARY OF STATE

Any corporate action upon which a vote of stockholders is required or permitted may be taken without a meeting on written consent, setting forth the action so taken, signed by all of the persons entitled to vote thereon. Directors may take any action which they are required or permitted to take without a meeting on written consent, setting forth the action so taken, signed by all of the Directors.

IX.

The Board of Directors is expressly authorized to amend, alter or repeal the bylaws of the corporation. The number of Directors shall be fixed by the bylaws and the Board of Directors may change the number of Directors by amending the bylaws, which amendment shall require the vote of a majority of the Board.

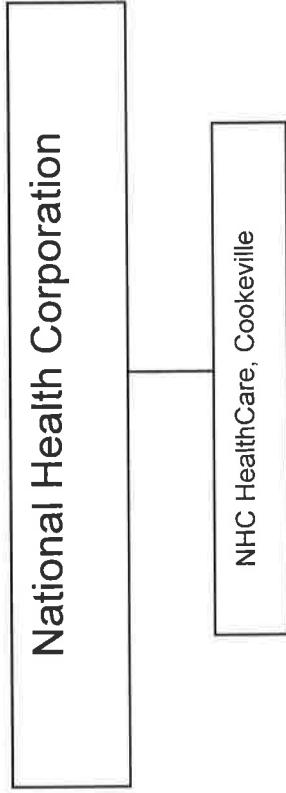
X.

The Board of Directors, by a resolution adopted by a majority of the entire Board, may designate an executive committee, consisting of two or more Directors, and other committees, consisting of two or more persons who may or may not be Directors, and may delegate to such committee or committees all such authority of the Board that it deems desirable, pursuant to and subject to the limitations of Section 48-1-810 of the Tennessee Code Annotated.

DATED this 29th day of October, 1986.

NHESOP, INC.

By: Richard F. LaRoche, Jr.
RICHARD F. LaROCHE, JR.
Incorporator



National Health Corporation owns the following nursing facilities:

South Carolina

NHC HealthCare, Sumter
1018 N. Guignard Drive
Sumter, SC 29151

Tennessee

NHC HealthCare, Cookeville
815 South Walnut Avenue
Cookeville, TN 38501

NHC HealthCare, Lawrenceburg
374 Brink Street
Lawrenceburg, TN 38464

NHC HealthCare, Murfreesboro
420 N. University Street
Murfreesboro, TN 37130

NHC HealthCare, Oak Ridge
300 Laboratory Road
Oak Ridge, TN 37830

**Section A. - Applicant Profile - Item 6 Legal Interest in the Site
Deed**

Cookeville Health Care Cntr.
P.O. Box 2829
Ckvl TN 38501

THIS INSTRUMENT PREPARED BY
RICHARD F. LaROCHE, JR.
ATTORNEY AT LAW
MURFREESBORO, TN. 37130

COMPARED

WARRANTY DEED RESULTING FROM PLAN OF REORGANIZATION OF CORPORATION

FOR AND IN CONSIDERATION of the completion of those certain Plans of Reorganization as passed by the Board of Directors and Shareholders of COOKEVILLE HEALTH CARE CENTER, INC. and NATIONAL HEALTH CORPORATION, all as to be appropriately filed with the Secretary of State of the State of Tennessee ~~and~~ and in additional consideration of the assumption by the Grantee herein of all liabilities on the property conveyed herein, including any obligations secured by Deeds of Trust or Mortgages on the property, the undersigned COOKEVILLE HEALTH CARE CENTER, INC., a Tennessee corporation and NATIONAL HEALTH CORPORATION, a Tennessee corporation, do hereby sell, assign and transfer unto NATIONAL HEALTHCORP L.P., a Delaware limited partnership, (qualified to do business in this jurisdiction) with NHC, Inc., a Tennessee corporation, as Managing General Partner, W. Andrew Adams as Special General Partner, and NHESOP, Inc., a Tennessee corporation, as Administrative General Partner, that certain tract or parcel of real estate as more particularly described on Exhibit A attached hereto and incorporated herein as though copied verbatim; and, additionally, hereby quitclaim unto NATIONAL HEALTHCORP L.P. any and all other realty vested in Grantor although not specifically identified herein.

The Limited Partnership Agreement of NATIONAL HEALTHCORP L.P. grants and vests in NHC, Inc., a Tennessee corporation, the Managing General Partner, the sole and absolute authority and right to subsequently transfer, convey, encumber, mortgage, pledge, lease, sell, assign or otherwise dispose of all or a part of the interest in the real estate attached as Exhibit A on its

BILL RIPPETOE
ASSESSOR OF PROPERTY
PUTNAM CO.
MAP 66B GR B PAR. 1902

signature as Managing General Partner, and no other Special General Partner or Administrative General Partners' signature or approval is necessary.

TO HAVE AND TO HOLD the said real estate, together with the appurtenances, estate, title and interest thereto belonging unto the said NATIONAL HEALTHCORP L.P., a Delaware limited partnership, its successors and assigns, forever.

THE GRANTORS do hereby covenant with the said Grantee that they are lawfully seized and possessed of said real estate, have a good right to convey the same and that it is unencumbered, except as set forth in Exhibit A.

THE GRANTORS further covenant and bind themselves, their successors and representatives to forever warrant and defend the title to said real estate to the said Grantee, its successors and assigns, against the lawful claims of all persons whomsoever.

Possession of the property is to be given with the delivery of this instrument.

IN WITNESS WHEREOF, the said Cookeville Health Care Center , Inc. and National Health Corporation have caused this instrument to be executed by their duly authorized officers, effective this the 31st day of December, 1986.

COOKEVILLE HEALTH CARE CENTER, INC.

ATTEST:

Richard F. A. Roff
Secretary

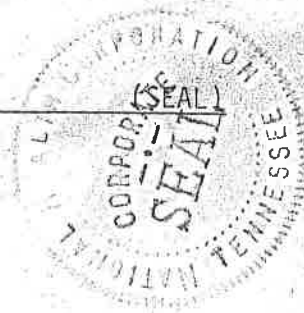
BY: W. Andrew Adair (NO SEAL)
President

NATIONAL HEALTH CORPORATION

ATTEST:

Richard F. A. Roff
Secretary

BY: W. Andrew Adair
President

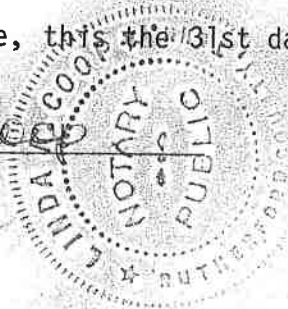


STATE OF TENNESSEE)
)
COUNTY OF RUTHERFORD)

Personally appeared before me, the undersigned authority, a Notary Public in and for said County and State, the within named W. ANDREW ADAMS and RICHARD F. LaROCHE, JR., with whom I am personally acquainted and who are known to me to be the President and Secretary, respectively, of the above corporations, and who acknowledged under oath that they executed the foregoing instrument (WARRANTY DEED) for the purposes therein expressed and contained.

WITNESS my hand and official seal at Murfreesboro, Tennessee, this the 31st day of December, 1986.


Notary Public



My commission expires: 5/22/90.

STATE OF TENNESSEE)
COUNTY OF RUTHERFORD)

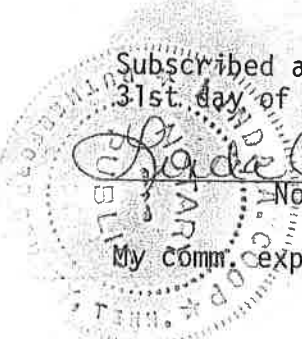
I hereby swear and affirm that the actual consideration for this transfer or value of the property transferred, whichever is greater, is \$-0-, which amount is equal to or greater than the amount which the property transferred would command at a fair and voluntary sale.


Affiant

Subscribed and sworn to before me this
31st day of December, 1986.


Notary Public

My comm. expires: 5/22/90.



"EXHIBIT A"

BEGINNING on a steel pin in the West right-of-way of the Bunker Hill Road, said steel pin being the SE corner of Tract #1 of the Rest Home site; thence, N 84 deg. 58' W 538.50 feet and with the S line of Tract #1 to a steel pin; thence, S 2 deg. 30' W 41.8 feet on a severance line to a steel pin; thence S 84 deg. 58' E 502.5 feet and on a severance line to a steel pin in the west right-of-way of the Bunker Hill Road; thence, with a curve to the right and a radius of 351.80 feet and a distance of 35.8 feet to a steel pin; thence N 48 deg. 53' E 20.0 feet to a steel pin and the point of beginning, containing 0.5 acres.

Being a portion of the property conveyed to Cookeville Health Care Center, Inc. by deed of record in WD Book 215, page 185, Register's Office of Putnam County, Tennessee.

STATE OF TENNESSEE, PUTNAM COUNTY

The foregoing instrument and certificate were noted in
Deed Book 15 Page 163 and 343 O'clock P.M. 1-29-1988
and recorded in WD Book 289 Page 705
State Tax Paid \$ Fee
Recording Fee 16.00 Total 16.00 Receipt No. 14320

Opal Burris
Register

Section A, Applicant Profile – 5

Name of Management/Operating Entity

ASSIGNMENT OF MANAGEMENT AGREEMENT

July 1, 2008

This Assignment of Management Agreement is entered into this 1st day of July, 2008, between National HealthCare Corporation, successor by merger to National HealthCorp L.P., (hereinafter "Assignor") and Tennessee HealthCare Advisors, LLC, a Tennessee limited liability company (hereinafter "Assignee"), a wholly owned subsidiary of Assignor.

PRELIMINARY STATEMENTS:

A. Assignor has heretofore entered into that certain Management Agreement bearing date of January 20, 1988, between Assignor and National Health Corporation, f/k/a NHESOP, Inc., a Tennessee corporation (this being hereinafter referred to as "Management Agreement"), which document grants certain management rights and responsibilities to Assignor on certain licensed nursing homes including four such centers located in Tennessee (such Tennessee centers are hereinafter referred to as "Tennessee Centers"), described on Exhibit A hereto.

B. Assignee agrees to assume Assignor's duties, rights and responsibilities pursuant to the Management Agreement.

NOW, THEREFORE, IN CONSIDERATION OF ASSIGNOR assigning its rights pursuant to the Management Agreement to Assignee, and Assignee assuming the rights and duties thereunder, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Assignment: Assignor hereby assigns and Assignee hereby assumes all of Assignor's rights, duties, obligations and compensation in connection with the Management Agreement on the Tennessee Centers.

2. Owner Approval: By its signature hereon, Owner has agreed to this Assignment since Assignee is a wholly owned subsidiary of Assignor.

This Assignment is entered into effective July 1, 2008.

ASSIGNOR: NATIONAL HEALTHCARE CORPORATION

By: 

R. Michael Ussery, Sr. V.P., Operations

ASSIGNEE: TENNESSEE HEALTHCARE
ADVISORS, LLC

By: NHC/OP, L.P., Its Sole Member

By: NHC/Delaware, Inc., Its General Partner

By: 

D. Gerald Coggin, President

CONSENT AND APPROVAL IS HEREBY GIVEN:

NATIONAL HEALTH CORPORATION

By: 

Stephen F. Flatt, President

Exhibit A

NHC HealthCare, Cookeville

NHC HealthCare, Lawrenceburg

NHC HealthCare, Murfreesboro

NHC HealthCare, Oak Ridge

tel:wwe859:01/21/88
CUB414-031

MANAGEMENT AGREEMENT

THIS AGREEMENT made and entered into this 20th day of January, 1988, by and between NATIONAL HEALTHCORP L.P., a Delaware Limited Partnership (hereinafter referred to as "NHC"), and NHESOP, INC. (hereinafter referred to as "OWNER");

WITNESSETH:

WHEREAS, Owner has acquired certain licensed nursing homes, all as identified below (hereinafter individually referred to as a "Facility" and collectively referred to as the "Facilities"); and

WHEREAS, the Facilities are identified as the following licensed nursing homes:

<u>Facility</u>	<u>Location</u>	<u>No. of Beds</u>
Bayou Manor Health Care Center	St. Petersburg, FL.	159
National Healthcare Center	Ft. Lauderdale, FL	153 (owned)
		100 (leased)
National Health Care Center	Sumter, S.C.	100
Hopewell Health Care Center	Sumter, S.C.	96
Oak Ridge Health Care Center	Oak Ridge, TN	130
Cookeville Health Care Center	Cookeville, TN	96
Murfreesboro Health Care Center	Murfreesboro, TN	190
National HealthCare Center	Lawrenceburg, TN	97

WHEREAS, Owner, having no expertise or experience in the management of long-term care facilities such as the Facilities, desires to have NHC manage the Facilities.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, NHC and Owner do hereby represent, covenant, promise and agree as follows:

1. Operating Terms and Appointment and Engagement of NHC as General Manager of the Project.

(a) Owner hereby appoints and retains NHC to serve, and NHC hereby agrees to serve as the general manager of the Facilities, to supervise, operate and manage the Facilities during the term of this Agreement, in the name, for the account and on behalf of Owner upon the terms and conditions hereinafter stated.

(b) Notwithstanding the authority granted to NHC herein, NHC and Owner agree that Owner, through its Board of Directors, shall at all times exercise control over the affairs of the Facilities, and shall, in consultation with NHC, establish general operating policies to be carried out by NHC under this Agreement.

NHC and Owner agree (a) that Owner shall have the right and obligation to review periodically operating decisions made by NHC on Owner's behalf; (b) that Owner shall have the right, upon notice to NHC,

to change, repeal, or alter policies adopted by NHC in connection with managing the day-to-day operations of the Facilities; and (c) that, in order to provide Owner with an informed basis for reviewing NHC's performance hereunder, NHC shall prepare and deliver in a timely manner to Owner the reports and financial statements required by Section 2.v. of this Agreement.

- (c) NHC will devote the necessary time and energy to management of the Facilities as it does to other similar nursing homes that it may manage from time to time.
- (d) The parties acknowledge that, as administrative general partner for NHC, Owner has been obligated to employ NHC's cost persons to conduct NHC's business, and that such employees of Owner shall in general perform on NHC's behalf, the services to be rendered by NHC to Owner pursuant to this Agreement in consideration for which NHC shall be paid by Owner the Management Fees described in Section 3.

2. Management Services.

NHC shall perform, or cause third parties to perform on its behalf, the services described in this Section 2 in connection with supervising and managing the Facilities at all times.

i. Managerial Review, Coordination and Control:

- a. NHC shall provide each Facility with visits from a regional vice-president, a regional nurse and a regional accountant to coordinate, review and supervise the operations of the Facility.
- b. NHC shall be responsible for obtaining, maintaining and preserving all licenses, permits, certifications and approvals necessary for the operation by Owner of the Facilities in compliance with eligibility requirements for participation in the Medicaid program of each state where a Facility is located and the Federal Medicare program as said programs are presently structured and administered and substantially similar successor programs thereto. Notwithstanding anything heretofore stated to the contrary, however, NHC shall not (until notified in writing by

Owner) be responsible for obtaining, maintaining and preserving any licenses, permits, certifications, or approvals necessary for operation by Owner of the Hopewell Health Care Center in compliance with eligibility requirements for participation in the Federal Medicare program.

- c. NHC shall be responsible to survey regulatory compliance by each Facility and will be available for consultation with the personnel of each Facility and Owner on all operational aspects of each Facility, including hiring and firing employees and determining terms of employment and termination thereof, including the rates of compensation (which rates shall be comparable for like facilities in the area). NHC shall be responsible for the supervision, direction, training and assignment of duties to and of the employees of each Facility. Notwithstanding anything heretofore stated to the contrary, however, the employees of each Facility are for all purposes the employees and agents of Owner (and not of NHC) and no provision set forth herein shall be deemed to support the existence of any contrary employment arrangement. The employees of

all Facilities shall be under the control of Owner and Owner shall be deemed their employer for all purposes, including, but not limited to, tax withholding requirements and provision of any benefit plans established for the benefit of said employees).

- d. NHC shall submit its recommendations to Owner's Board of Directors for approval as to the establishment of all prices, price schedules, rates and rate schedules and, in connection therewith, NHC shall be responsible for supervising and implementing billing, collection and record-keeping procedures.
- e. NHC shall be responsible for reviewing and implementing all repairs, alterations and decorations for the Facilities which are provided for in the annual operating and capital expenditures budgets approved by Owner. In the event architectural services are required, Owner, in consultation with NHC, shall retain an architect and negotiate the terms of hiring.
- f. NHC shall be responsible for obtaining, maintaining and coordinating such services and

equipment as are necessary or desirable for the operation of the Facilities, including but not limited to speech therapy, occupational therapy, inhalation therapy, physical therapy, and rental of equipment, and it may use special consultants in connection with the above-described services, provided that the cost thereof shall be within approved budgetary limits.

- g. NHC shall be responsible for the negotiation and execution of service contracts and other contracts which are reasonably necessary or desirable in connection with the operation of the Facilities in the ordinary course of business, including all provider agreements necessary and appropriate to qualify and maintain the status of each Facility as a reimbursable provider of services under both the Medicaid intermediate and skilled program and the Medicare program. Subject to Owner's prior approval, NHC may use third party professional assistance in any labor negotiations or administrative or legal appeals of reimbursement rulings, E.E.O.C. claims and the like. The cost of such approved assistance shall be an expense or direct cost of operations to the

Facility on the behalf of which such services are required.

- h. NHC shall be responsible for the performance of any and all acts, in addition to those enumerated herein, reasonably necessary in connection with the operation of the Facilities in an economical, efficient and proper manner and in accordance with all general operating policies established from time to time by Owner, in consultation with NHC, for the Facilities.

ii. Personnel Services:

- a. NHC shall prepare and, subject to Owner's approval, implement standard personnel policies and procedures, including the administration of an employee grievance system.
- b. NHC shall implement and maintain a computerized personnel file for each Facility which shall include all pertinent and appropriate personnel information necessary for the administration of the personnel policies and practices at the Facility.
- c. NHC shall provide a means for the distribution of, and when necessary and reasonable shall make,

necessary and reasonable communications to the personnel of each Facility.

- d. NHC shall coordinate and implement employee training programs for each Facility. The actual cost of employee participation in these training programs, including travel and lodging, shall be included in the annual operating budget as a direct cost of operations of each Facility based on the number of its employee participants.

iii. Quality Control Services:

- a. NHC shall initiate, review, implement and maintain a quality control system at each Facility designed to provide continual audits on the quality of patient care at the Facility. This quality control system shall include but not be limited to (i) a periodic visit to the Facility designed to provide a quality review of the actual services provided by the Facility, and (ii) upon Owner's approval, utilization of the NHC Patient Assessment Program, for which Owner understands that separate charges for each Facility will be assessed in the same manner and in the same amounts as such charges are assessed under

service contracts and/or management agreements which NHC has entered into with independent third parties, which charges shall be included in the budgets for the Facility(ies) described in Section 2.v.a.(ii) below.

- b. NHC shall design, initiate and maintain a continuing education program to inform and educate health care professionals and the general public in the geographical area served by each Facility about the services and advantages offered by the Facility.
- c. NHC shall prepare and distribute such descriptive booklets, brochures or pamphlets as may be necessary to properly inform health care professionals and members of the public of the nature and requirements of state and federal reimbursement programs for patients and the relation thereof to the services offered at the Facilities.

iv. Legal and Risk Management Services:

- a. NHC shall be responsible for legal review and preparation for each Facility of a Standard Form Admissions and Financial Contract, Facility

Patient Rights Policy and a Facility Patient Care Policy, all in accordance with applicable federal and state standards.

- b. NHC shall be responsible for legal review and preparation of all other federal and state mandated documents for each Facility, including the provider contract entered into by each Facility and the state reimbursement agency and the federal reimbursement agency and continuing review of the medical records system of each Facility.
- c. NHC shall provide a continuing risk management program at each Facility, including periodic safety checks, review of the performance of functions of a safety committee to be appointed by NHC which shall monitor all incidents involving patients, staff or visitors at each Facility and implementation of corrective procedures designed to ensure the nonrecurrence of any incident.
- d. NHC shall review on an annual basis (or more often as is necessary to assure that such review is timely completed) all insurance claims made by each Facility and shall advise Owner of all insurance claims filed against any of the Facilities.

e. NHC shall review all insurance requirements of the Facilities and shall design an insurance program which it shall submit to the Owner's Board of Directors for approval. NHC shall also advise the Board of the best known rate available on a group basis to NHC and its owned or managed nursing home facilities. The Board may, at its option, obtain insurance based on the program submitted by NHC or it may obtain other insurance as it deems necessary or appropriate from agents or brokers of its own choosing. Owner agrees to provide such insurance coverage as shall be required under the terms of the Financing Documents (as hereinafter defined in this Section 2.iv.e.) and any other insurance coverage not inconsistent therewith that NHC reasonably deems proper and Owner approves. For purposes of this Agreement, the term "Financing Documents" shall refer to the following:

1. a certain \$38,500,000.00 Term Note (the "Term Note"), of even date herewith, payable to the order of Sovran Bank/Central South and signed by the NHESOP, Inc. Leveraged Employee Stock Ownership Trust (the "ESOP Trust") and the first mortgages securing said Term Note;

2. a certain loan and security agreement, of even date herewith by and between Sovran Bank/Central South and the ESOP Trust;
 3. a certain stock purchase agreement, of even date herewith by and between the ESOP Trust and Owner;
 4. a certain asset purchase agreement, of even date herewith by and between Owner and NATIONAL HEALTHCORP L.P.;
 5. a certain promissory note (the "Promissory Note") of even date herewith payable to the order of NATIONAL HEALTHCORP L.P. by Owner and any second mortgages securing said Promissory Note; and
 6. a certain guaranty and contingent purchase agreement, of even date herewith, by and between Owner and Sovran Bank/Central South.
- f. NHC shall comply on behalf of Owner with all applicable federal, state, and local laws, rules, and regulations (including state and local fire and safety codes) relating to the Facilities and shall operate the Facilities so that they shall

maintain all necessary licenses, permits, consents, and approvals from all governmental agencies that have jurisdiction over the operation of nursing homes.

- g. NHC shall use its best efforts to manage the Facilities so as to maintain their accreditation.
- h. Neither Owner nor NHC shall knowingly or purposefully take any action that shall (1) cause any governmental authority having jurisdiction over the operation of nursing homes to institute any proceeding for the rescission or revocation of any necessary license, permit, consent or approval or (2) cause a termination of, or adversely affect, Owner's eligibility to participate in Medicare, Medicaid or Blue Cross, or any other public or private medical payment program.
- i. NHC shall, with the written approval of Owner, have the right to contest by appropriate legal proceedings, diligently conducted in good faith in the name of Owner, the validity or application of any law, ordinance, rule, ruling, regulation, order, or requirement of any governmental agency having jurisdiction over the operation of nursing

homes. Owner, after having given its written approval, shall cooperate with NHC and shall pay the reasonable attorneys' fees incurred with regard to any such contest. Counsel for such contest shall be selected by Owner.

- j. NHC shall advise Owner as to circumstances which may support the initiation of legal action by Owner; however, Owner shall determine whether to initiate legal action on behalf of or which involves a Facility and shall hire counsel at Owner's cost to handle such action. NHC shall, upon the written request of Owner, monitor and review the progress of such legal action and advise Owner's Board of Directors as to non-legal issues respecting same.
- k. NHC agrees to procure and maintain such insurance as will protect NHC and Owner from claims by employees of Owner under any Workers' Compensation or similar acts, and also from any other claims for personal injury, including death or property damage which may be made by or on behalf of agents or employees of Owner and the general public due to the performance of this Agreement.

Further, NHC shall furnish the Owner with certificates or reasonable assurance that NHC has in effect the following insurance:

(i) Worker's Compensation Insurance;

(ii) Comprehensive General Liability Insurance with at least \$500,000 single limit coverage;

(iii) Automobile Liability Insurance with \$500,000 single limit coverage;

(iv) Malpractice Insurance with \$500,000 single limit coverage.

v. Financial Statements, Budgets, Reports and Right of Inspection:

a. For the purpose of keeping Owner informed with respect to the operations of each Facility, NHC shall prepare and deliver to Owner for each Facility and all of the Facilities taken as a whole:

(i) Unaudited monthly financial statements, containing a balance sheet and a statement of income and expenses in reasonable detail (the "Unaudited Monthly Financials"), not later than

thirty (30) days after the close of each calendar month;

(ii) Not later than thirty (30) days after the end of each fiscal year of Owner during the term of this Agreement, the following budgets with respect to the next fiscal year:

- (a) A capital expenditures budget outlining a program of capital expenditures for the next fiscal year, which budget shall designate expenditure items as either mandatory or desirable;
- (b) A detailed operating budget setting forth an estimate of all material operating revenues and expenses for the next fiscal year, which operating budget shall contain an explanation of anticipated changes in utilization of the Facilities, patient charges, payroll, and other factors differing significantly from the current year; and
- (c) A projection of cash receipts and disbursements based upon the proposed capital

expenditures and operating budgets, which projection shall contain recommendations concerning use of excess cash flow.

The capital expenditures and operating budgets shall be considered by Owner and, if reasonably acceptable to Owner, shall be approved by Owner. NHC agrees to use its best efforts to operate the Facilities in accordance with the provisions of the capital expenditures and operating budgets submitted to and approved by Owner. NHC shall obtain Owner's approval prior to incurring capital or operating expenses that exceed budgeted amounts by more than five percent (5%) on a line item basis and, in the absence of such approval by Owner, Owner shall not be responsible to pay such excess amount. However, notwithstanding anything heretofore stated to the contrary, NHC shall not be required to obtain Owner's approval prior to incurring capital expenditures or operating expenses which exceed budgeted amounts by more than 5% on a line by line basis in the event of an emergency, although any such expenditures and expenses shall be explained immediately in writing to Owner.

- (iii) An annual report to Owner describing the operations, policies, and problems with respect to the Facilities, not later than sixty (60) days after the end of each year of the term of this Agreement or, at Owner's election, sixty (60) days after the end of Owner's fiscal year.

In addition, NHC shall provide and deliver to Owner all other reports specified pursuant to the terms of this Agreement. Whenever any section of this Agreement provides for delivery of reports, financial statements, or any other information to Owner, such delivery shall be made by NHC to Owner's Board of Directors or to particular members of Owner's Board of Directors designated by Owner to NHC.

- b. NHC shall arrange for the independent certified public accountants retained by Owner to provide audited annual financial statements for each Facility and all the Facilities taken as a whole for each fiscal year.
- c. The costs of all unaudited financial statements shall be paid by NHC, but the cost of all

audited financial statements shall be paid by Owner as a cost of operation of the Facilities subject to the provisions of Section 2.v.a.(ii) above.

- d. NHC shall process all payroll checks, including associated reports.
- e. NHC shall make itself available at any time Owner desires to inspect the Facilities to answer any questions posed by Owner and to describe any changes in the operations and policies of each Facility and to alert Owner to any problems with respect to each Facility.
- f. Any statement prepared and delivered to Owner under this Section 2.v. shall be copied and a copy of the same shall be furnished to the then trustee of the ESOP Trust ("the Trustee").

vi. Books and Records:

- a. NHC shall maintain all books and records necessary for Owner's independent certified public accountants to conduct an annual audit and to issue an unqualified opinion about the accuracy of the financial statements. NHC shall also

maintain sufficient records to maintain all necessary licenses and approvals from governmental agencies.

b. Pursuant to and in compliance with Section 952 of the Omnibus Reconciliation Act of 1980 (PL96-499), NHC covenants, promises and agrees to maintain for a period of at least four (4) years after the rendering of any management services all books, documents and records of NHC described in Section 2.vi.a. above and additionally, to make all of such books, records and documents available to the Secretary of the United States Department of Health and Human Services, the Comptroller General of the United States Government, other state or federal agencies or any of their duly authorized representatives upon written request from said officials or their designees.

c. All original books, accounts and records maintained for the operation of each Facility shall be maintained at the Facility. NHC may maintain a copy of such records in its offices if necessary to provide services under this Agreement.

d. Notwithstanding anything herein to the contrary, the Trustee and Owner's Board of Directors and its agents, attorneys and accountants shall have full access at all times to all books and records.

e. NHC shall prepare and file all state and federal cost reports necessary for reimbursement.

3. Compensation of NHC for Services Provided Herein.

(a) During the term hereof and as compensation for the services rendered by NHC, Owner shall pay to NHC for each month occurring during the term of this Agreement fees equal to six percent (6%) of the "Gross Operating Revenues" of the Facilities as defined below ("Management Fees"); provided, however, that for any period for which Owner temporarily or permanently ceases to operate any Facility(ies) or part thereof due to the presence of any Hazardous Substances (as defined in the Hazardous Substances Indemnification Agreement of even date herewith by and among NHC, Owner, the NHESOP, Inc. Leveraged Employee Stock Ownership Trust (the "Trust") and the trustee of the Trust), Owner shall cease to pay any Management Fees attributable to the affected Facility(ies) or part thereof.

Said fees shall be paid in the manner described in Section 4(c) and allocated among the various services provided by NHC herein as follows:

- (1) 30 percent for the managerial services as described in Section 2.i.;
 - (2) 15 percent for all personnel services as described in Section 2.ii.;
 - (3) 10 percent for all quality control services as described in Section 2.iii.;
 - (4) 15 percent for all legal and risk management services as described in Section 2.iv.; and
 - (5) 30 percent for all financial services as described in Section 2.v.
- (b) For purposes of this Agreement, the "Gross Operating Revenues" of each Facility shall be determined using generally accepted accounting principles and shall mean the total revenues of the Facility derived in any way from the operation of the Facility or the property on which it is located (including all rentals and percentage or dollar amount retentions under professional service contracts) as calculated using

the accrual method of accounting. The term shall not, however, include the following:

- (1) grants, gifts or donations to any Facility by any governmental agency, individual, trust, firm or corporation,
- (2) any income or other distribution made from or with respect to an endowment,
- (3) any other donated funds held by or for the benefit of any facility,
- (4) any casualty or business interruption insurance proceeds,
- (5) any loan proceeds made to or with respect to any Facility, or
- (6) any proceeds from the disposition of any Facility or any asset of Owner used at or in connection with any Facility.

For purposes of this Agreement, the term "Available Cash Flow" for any month during the term of this Agreement shall refer to the portion of the Gross Operating Revenues for the month which are collected by Owner during the month minus the direct

operational expenses paid in connection with the Facility during the month (but not including (1) the Management Fees payable by Owner to NHC for the month; (2) the debt amortization payments due and payable by Owner pursuant to the terms of the Financing Documents, (3) any contributions made by Owner to the ESOP Trust pursuant to the terms of the NHESOP, Inc. Leveraged Employee Stock Ownership Plan, and (4) any payment of a Priority Distribution (as defined below in this Section 3(b)) which is made to Owner for the month). For purposes of this Agreement, the term "Priority Distribution" shall refer to a distribution which will be payable to Owner for each year during the term of this Agreement. The Priority Distribution payable to Owner for each such year shall be calculated as follows:

one half (1/2) of one percent (1%) per annum of the unpaid balance of the portion of the Term Note used to purchase the Facilities (which portion shall initially be thirty million dollars (\$30,000,000)) (determined as of the first day of any year occurring during the term of this Agreement) shall be payable to Owner according to the priority provisions of Section 3(d) below in equal monthly payments during the year until Owner has received the Priority Distribution payable for the year.

If the Priority Distribution payable to Owner for any year is not paid in whole during such year, the portion of such Priority Distribution not paid shall be added to the Priority Distribution payable to Owner for the next succeeding year.

(c) Upon receiving the Unaudited Monthly Financials for any month occurring during the term of this Agreement, Owner shall review such financials and determine whether the Available Cash Flow for the month described therein equals or exceeds the sum of the following:

- (1) all debt amortization payments due and payable by Owner and the ESOP Trust pursuant to the terms of the Financial Documents;
- (2) Any contribution made by Owner to the ESOP Trust pursuant to the terms of the NHESOP, Inc. Leveraged Employee Stock Ownership Plan; and
- (3) any Priority Distribution payment payable to Owner for the month.

If the Available Cash Flow for the month does not equal or exceed such sum, then payment of the Management Fees payable for the month shall be deferred

to the extent of the deficiency. Any portion of the Management Fees not paid to NHC when earned shall be accrued effective as of the date such payment would, but for such accrual, be required pursuant to Section 4(c) below. Any accrued Management Fees ("Accrued Management Fees") shall bear interest which shall also be deferred from date of accrual until paid to NHC at a per annum rate equal to two percent (2%) over the prime interest rate published in the Wall Street Journal on the date of accrual and adjusted on the first business day of each month. Such interest shall be calculated monthly and compounded quarterly.

(d) With respect to each and every month during the term of this Agreement, the Available Cash Flow for such month shall be applied and paid out of the Management Accounts (as defined in Section 4(a) below) in the following order of priority:

(i) payment to Owner of an amount equal to the interest and principal payable pursuant to the terms of the Term Note so that Owner may make a contribution in an amount equal to the same to the NHESOP Inc. Leveraged Employee Stock Ownership Plan (the "Plan");

- (ii) payment to the Owner of an amount equal to the interest and principal payable under the Promissory Note;
- (iii) payment to the Owner of an amount equal to the interest payable under the Line of Credit (as defined in Section 9 below);
- (iv) payment to Owner of any monthly Priority Distribution payment payable to Owner for the year;
- (v) payment of any interest due and payable on any Accrued Management Fees;
- (vi) payment of any Accrued Management Fees earned by NHC in previous months, with the Management Fees that have been accrued for the longest period of time being paid first;
- (vii) payment of any Management Fees which become due and payable during the month (as described in Section 4(c) below);
- (viii) payment of any principal due and payable on the Line of Credit (as described in Section 9 below);

- (ix) a reasonable retention in the Management Accounts of an operating reserve not to exceed three (3) months budgeted operating costs; and
- (x) the remaining Available Cash Flow (the "Monthly Available Cash Flow") will be deposited in an interest bearing account acceptable to Owner and, as soon as practicable following the conclusion of each year during the term of the Management Agreement, the sum of the Monthly Available Cash Flows for the year just completed shall be divided among NHC and Owner as follows:

PORTION OF SUM OF MONTHLY
AVAILABLE CASH FLOWS
WHICH IS BETWEEN:

PERCENTAGE PAYABLE TO
NHC AND PERCENTAGE
PAYABLE TO OWNER:

	<u>NHC</u> <u>Owner</u>
\$0-5,000,000	75%/25%
greater than \$5 million but less than or equal to \$10 million	60%/40%
greater than \$10 million but less than or equal to \$15 million	49%/51%
greater than \$15 million	40%/60%

(f) No fees or costs in addition to the Management Fees shall be assessed against Owner for any services provided to Owner by NHC or any third party retained by NHC unless a particular fee or cost is included in the annual operating budget to be approved by Owner's Board of Directors pursuant to Section 2.v.a.(ii) hereto or, if contingent, the amount of the cost or fee is either disclosed herein or approved in advance by Owner.

(g) Notwithstanding anything stated in this Agreement to the contrary, Owner shall only recover its Management Fees with respect to the Facilities from the Available Cash Flow of the Facilities pursuant to the terms of Section 3(d) above or, if Owner sells any of the Facilities, from the sale proceeds with respect to the Facility(ies) sold as described in Section 11 below. NHC shall have no recourse for said Management Fees against any other assets of Owner, including (but not limited to) any other nursing home owned by Owner.

4. Handling and Disposition of Funds.

Funds originating from the operation of the Facilities and coming into NHC's hand shall be received, handled, managed and disposed of as follows:

- (a) NHC shall deposit all funds received by it from the operation of the Facilities, and all working capital loans, if any, advanced by Owner in a bank account or accounts bearing the name of one or more of the Facilities (hereinafter the "Management Accounts") with a bank or trust company approved by Owner and NHC. Such funds shall in no event be commingled with other funds. NHC shall have no liability or responsibility for any loss resulting from the insolvency, malfeasance or nonfeasance of the bank or banks in which such funds are deposited.

NHC shall control the Management Accounts and have the right to make withdrawals from and use the Management Accounts for the purposes of operating the Facilities and performing its obligations hereunder until the termination of this Agreement, at which time NHC's representatives shall resign as signatories on the Management Accounts and cooperate in making the designees of Owner signatories for such accounts.

- (b) Out of such Management Accounts, NHC is authorized to pay all costs of operating the Facilities provided for in the annual operating budget to be approved by Owner's Board of Directors pursuant to Section 2.v.a.(ii) or the amount of which is specified herein or otherwise authorized by Owner pursuant to the terms of this Agreement.
- (c) NHC shall calculate the Management Fees due to NHC in any month based on Gross Operating Revenues as reflected in that month's Unaudited Monthly Financials. Provided that such calculations are submitted to Owner for its approval by the twentieth day of the next succeeding month and Owner makes no written objections thereto to NHC within ten (10) days of its receipt of such calculations:
 - (i) the Management Fees for the month shall be due and payable to NHC as of the last day of such next succeeding month (or, if the calculations are not received by said twentieth day (but are received no later than thirty (30) days after the end of the month for which the Management Fees are due), as of the tenth day from the date of their receipt); and

(ii) subject to Section 3(c) above and in accordance with the order of priority described in Section 3(d) above, NHC shall be authorized to pay itself its Management Fees for the month by making withdrawals totaling the authorized amount from the Management Accounts.

The amount of Management Fees paid or accrued during the course of any fiscal year during the term of this Agreement shall be adjusted following the close of such year based on the amount of Gross Operating Revenues shown in the audited year-end financial statement(s) of the Facilities (regardless of whether such revenues are identified on such financial statements as "Gross Operating Revenues"). Within thirty (30) days after the delivery of such financial statement(s) to Owner, either NHC shall refund to Owner any excess Management Fees received by NHC or Owner shall pay to NHC (or accrue, as necessary) the amount of any deficiency in Management Fees.

If any dispute should arise between the parties that involves the calculation or payment of the Management Fees, either party may serve upon the other a written notice stating that such party desires to have the controversy reviewed by an arbitrator, who shall be a representative of a firm specializing or having substantial experience in accounting in the nursing home industry.

If the parties cannot agree, within fifteen (15) days from the service of such notice upon the other party, on the selection of such an arbitrator, each party shall choose an arbitrator and the two arbitrators shall then choose a third arbitrator. Arbitration of such controversy, disagreement, or dispute shall be conducted in Murfreesboro, Tennessee, in accordance with the rules then in force of the American Arbitration Association. The decision and award of the arbitrator so selected shall be binding upon both parties and may be entered as a judgment in a court of competent jurisdiction. The costs of arbitration shall be paid as the arbitrator so selected directs.

5. NHC Not to Pledge Owner's Credit.

NHC shall not, without the knowledge and consent of Owner and then, only with respect to the purchase of goods, merchandise, materials, supplies and services reasonably required in the ordinary course of business in the operation of the Facilities, or as may be otherwise required in the performance of its obligations under this Agreement, pledge the credit of Owner, nor shall NHC in the name of or on behalf of Owner borrow any money or execute any promissory note, bill of exchange or other obligation without the consent of the Owner.

6. Reimbursement for Expenses/Use of NHC Employees

In the event that NHC shall have advanced any funds out of its own accounts (and not the Management Accounts) in payment of expenses included in the annual operating budget delivered pursuant to Section 2.v.a(ii)(b) or otherwise authorized pursuant to the terms of this Agreement, then Owner agrees to reimburse NHC within fifteen (15) days after receipt of written notice of the advance or advances. NHC shall notify the Owner of such advances and shall furnish the Owner with receipts evidencing such advances.

The use of NHC's staff specialists in all areas, including for purposes of (a) preparation and filing of cost reports and (b) preparation of operating and capital expenditure budgets shall not be chargeable to Owner except out-of-pocket expenses and travel and lodging not to exceed \$1,500 in any month without the prior written approval of Owner. However, where the physical presence in the Facility of any person, such as a dietitian is necessary to obtain or maintain licensure as a nursing facility or certification, if applied for or sought, in the Medicaid or Medicare programs, such person's time and expenses shall be a direct expense chargeable to the Facility, and not to NHC; provided, that such charges are included in the annual operating budget delivered pursuant to Section 2.v.a.(ii)(b).

7. Cooperation by Owner; Owner's Representative.

(a) It is the intent of the parties that the Facilities be fully licensed and in compliance with all applicable statutes, rules, regulations and ordinances, and Owner hereby agrees to cooperate fully with NHC to that end and to do all acts necessary for the performance of this Agreement, including but not limited to maintaining the Facilities in excellent condition and maintaining the highest reputation.

(b) In any situation in which, pursuant to the terms hereof, Owner shall be required or permitted to take any action, or to give any approval, NHC shall be entitled to rely upon the statement of the President, or such other representative of the Board of Directors who shall have been designated by the Board in writing to act on its behalf under this Agreement, to the effect that any such action or approval has been taken or given. In the event no such representative is designated, such actions shall be taken by and such approvals shall be obtained from Owner's Board of Directors. In the event Owner does not give its response to a request by NHC for any approval or consent under this Agreement within fifteen (15) days after such request is given, the request shall be deemed to be approved.

8. NHC as Independent Contractor; Indemnification.

Nothing in this Agreement shall be construed as creating a partnership, making either party an employee of the other party or restricting NHC's right to serve as general manager of other long-term care facilities or to operate long-term care facilities owned by NHC. The parties agree and acknowledge that NHC is an independent contractor with no right to bind Owner except as otherwise specifically provided herein.

Owner agrees to indemnify NHC and hold it harmless from and against any and all liabilities, debts, claims, suits and judgments for property damage, bodily injuries and/or deaths caused by any act or omission of Owner, its agents and employees (when not acting under the supervision of NHC), and against and from the expense of defending any such claims and suits, including court costs, attorneys' fees and all other legal expenses. Owner's insurance shall be endorsed to cover NHC as an additional insured and any additional premiums incurred as a result shall be paid by NHC.

NHC agrees to indemnify and hold harmless Owner from and against all liabilities, debts, claims, suits, and judgments for property damage, bodily injuries and/or deaths caused by any act or omission of NHC, its agents and employees, arising from or related to NHC's performance, activities or obligations pursuant to this Agreement, including NHC's failure to act in good faith or in a manner which NHC

believed to be in Owner's best interests, and against and from the expense of defending any such claims and suits, including court costs, attorney's fees and all other legal expenses.

9. Line of Credit.

NHC agrees to make available to Owner a line of credit of \$2,000,000 (the "Line of Credit"), one-half of which may be used, at Owner's discretion, as and for working capital and the other half of which shall be used, at Owner's discretion, to make improvements to the Facilities. To the extent that NHC makes advances to Owner pursuant to the Line of Credit, Owner agrees to pay interest on said amounts at an interest rate calculated monthly on the outstanding balance at one percentage point over the prime interest rate published in the Wall Street Journal adjusted on the first business day of each month in which an outstanding balance exists. Principal and interest (compounded quarterly if not paid) shall be repaid out of Available Cash Flow as provided in Section 3(d) above, at the termination of this Agreement, or on January 21, 1998 whichever first occurs. Notwithstanding the foregoing, Owner shall be entitled to obtain a line of credit for working capital or to fund capital improvements, as needed, from a source or sources of its own choosing.

10. Default.

(a) Non-Financial Default:

In the event either party to this Agreement deems the other party to be in default under its obligations as set forth herein (other than a default in Owner's financial responsibilities to NHC as described in Section 3 or 6 hereof), then said party (the "Charging Party") shall be required to provide the party in alleged default (the "Charged Party") with notice thereof which notice shall contain a detailed description of such default. Upon the receipt of such notice, the Charged Party shall have thirty (30) days in which to:

- i. Correct the alleged default or provide appropriate assurances to the Charging Party that the default will be timely corrected; or
- ii. File notice with the Charging Party denying that the factual matters alleged in the notice constitute a default under this Agreement. In the event this latter course is chosen, the parties hereby covenant and agree to submit such matter to binding arbitration, in accordance with the

American Arbitration Association rules then in effect to be conducted in Murfreesboro, Tennessee. Arbitrators shall be chosen in the manner set forth in Section 4(c). The decision and award of the arbitrator or arbitrators shall be binding upon the parties and may be entered as a judgment in a court of competent jurisdiction. The costs of arbitration shall be paid as the arbitrator or arbitrators shall direct.

(b) Financial Default:

In the event that (1) Owner fails to make the payments or reimbursements due to NHC pursuant to Section 3 and Section 6 of this Agreement after NHC has submitted the calculations and/or complied with the notice procedures set forth in Sections 4 and 6 above; (2) NHC gives Owner notice of the amount of the alleged financial default; (3) Owner fails to give NHC written notice pursuant to Section 4(c) of a dispute regarding such payments; and (4) such default has not been cured within thirty (30) days of NHC's notice to Owner of the amount of alleged default, NHC shall then be entitled to pay to itself out of Available Cash Flow the payments or reimbursement due, or, alternatively, NHC may bring suit against Owner in the appropriate jurisdiction for the recovery of said sums, including interest thereon at 2% over the prime interest rate as published in the Wall Street Journal on

the date of the alleged default and adjusted on the first business day of each month thereafter and all costs and reasonable attorneys' fees.

11. Term and Termination.

The term of this Agreement shall be for twenty (20) years from the date hereof. The term of this Agreement shall automatically be extended for two (2) additional terms of ten (10) years each unless, at least ninety (90) days (but no more than 120 days) prior to the expiration of the initial term or the first ten year additional term (as the case may be), Owner notifies NHC in writing of its desire to terminate this Agreement. In event that the term of this Agreement is automatically extended for one or two additional ten year term(s), all of the provisions of this Agreement shall apply during each such term. Notwithstanding anything stated in this Agreement to the contrary, Owner may terminate this Agreement at any time for Cause (as defined in this Section 11 below) and, in the event that such termination takes place, no division of net proceeds with respect to the sale of any of the Facilities (as described in Section 13 below) shall occur. Rather, the parties shall divide the remaining Available Cash Flow as of the date this Agreement so terminates as described in Section 3(d)(x) above.

For purposes of this Agreement, "Cause" shall include, by way of example, but without limitation, failure or refusal to substantially perform the services required hereunder or comply with the terms

hereof, embezzlement, fraud, disclosure to third parties of the confidential or private information of Owner or aiding a competitor of Owner to the detriment of Owner.

Upon the default of a party hereto, during the term of this Agreement or any renewal thereof, as determined by arbitration pursuant to the terms of this Agreement, the non-defaulting party shall have the right to terminate this Agreement upon the giving of notice to the defaulting party.

12. Notices.

All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given, when delivered personally to, or 72 hours after being deposited in the United States mails, registered and with proper postage prepaid addressed as follows:

(i) If to Owner, to:

NHESOP, Inc.
City Center
Murfreesboro, Tennessee 37130

with a copy to

Marine Midland Bank, N.A., Trustee
NHESOP, Inc. Leveraged Employee Stock
Ownership Trust
c/o Mr. Stephen J. Hartman, Jr.
Marine Midland Bank, N.A.
250 Park Avenue
New York, New York 10177

(ii) If to NHC, to:

W. Andrew Adams
President
National Healthcorp L.P.
City Center
Murfreesboro, Tennessee 37130

or to such other addresses as the parties may, from time to time designate in writing.

13. Assignability of this Agreement.

Owner shall have the right to assign its rights and obligations under this Agreement with respect to any Facility to any purchaser or lessee of such Facility upon the following conditions:

- (a) Owner shall provide NHC with the two (2) most recent financial statements of the proposed assignee.
- (b) NHC shall have ten (10) business days following its receipt of said financials to approve the proposed assignment, which approval shall not be unreasonably withheld. If NHC does not provide Owner with a written disapproval of the assignment by the conclusion of said ten (10) business days, it shall be deemed to have approved the same.
- (c) Upon receiving NHC's approval of the proposed assignment, Owner shall obtain the assignee's written agreement to assume all the terms, conditions and

covenants imposed upon Owner under the terms and conditions of this Agreement.

Owner agrees not to sell, lease or otherwise transfer ownership of any Facility during the term of this Agreement, unless the purchaser or lessee thereof expressly assumes, in a written agreement delivered to NHC, all of Owner's obligations hereunder, with the same force and effect as if such assignee was the Owner mentioned herein.

Upon the sale of any Facility(ies), all Accrued Management Fees, loans made by either Owner or NHC to the other and all other expenses and liabilities related to the Facility or Facilities to be sold shall be paid in full. The proceeds from the sale then remaining shall then be divided as follows:

<u>Portion of Remaining Proceeds which is Between:</u>	<u>Percentage Payable to NHC and Percentage Payable to Owner</u>
	<u>NHC Owner</u>
\$0 - \$5,000,000	75%/25%
greater than \$5,000,000 but less than or equal to \$10,000,000	60%/40%
greater than \$10,000,000 but less than or equal to \$15,000,000	49%/51%
greater than \$15,000,000	40%/60%

Notwithstanding anything stated herein to the contrary, the trustee of the NHESOP, Inc. Leveraged Employee Stock Ownership Trust of even date herewith may at any time, without such consent, take any and all actions which it deems necessary or appropriate to enforce the rights and interests of NHESOP, Inc. hereunder.

14. Enforceability.

In the event any provision of this Agreement is held illegal or invalid the remaining provisions of this Agreement shall not be affected thereby.

15. Waiver of Provisions.

None of the conditions or provisions of this Agreement shall be held to have been waived by any act or knowledge of NHC or Owner, their agents or employees, but only by an instrument in writing, signed by an officer of NHC or an officer of Owner, respectively. The waiver of a breach of any provision of this Agreement by either of the parties or the failure of either of the parties otherwise to insist upon strict performance of any provision hereof shall not constitute a waiver of any subsequent breach or of any subsequent failure to perform.

16. Entire Agreement; Counterparts.

This Agreement shall constitute the entire Agreement between the parties and supersedes any and all previous agreements, written or oral, between the parties relative to the subject matter hereof, may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

17. Burdens and Benefits.

This Agreement shall be binding upon and inure to the benefit of the respective legal representatives, successors and assigns of NHC and Owner.

18. Laws to Govern.

This contract shall be construed and governed under the laws of the State of Tennessee other than those relating to conflicts of laws.

19. Modification of Agreement.

Owner and NHC agree that they shall not modify or amend this Agreement in any respect without same being in writing signed by both parties.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals as of the day and year first above written.

NATIONAL HEALTHCORP L.P.

BY: W. Andrew Adams

NHESOP, INC.

BY: Richard F. Roff

Section B - Project Description - III (A)

Plot Plan

Section B, Project Description - III (B) Bus Schedule

Home

Schedule

Routes & Stops

Fares

UCHRA

Information



Cookeville, TN

(loads into 11.0m)

Cloudy

63°F

RealFeel®: 48°F

Winds: SW at 22 mph

Source: Forecast & Current Data

It's a great day to ride!

Select Language ▾

Announcements

Accessibility

Bikes on the Bus

Lost and Found

Passenger Rules

Employment

Weather Closings

Door to Door

Express Bus

Click to view our DBE Statement

Partners of CATS



Cookeville-Putnam Chamber of Commerce



Upper Cumberland Human Resource Agency



Tennessee Technological University



Cookeville Regional Medical Center



City of Cookeville



MMA Creative

CATS would also like to thank:



8 Steps to Your Cookeville Area Transit



We want to make your ride with CATS as smooth and purrfect as possible. Therefore, we have developed an eight step guide to help you learn how to use CATS. Riding the bus could not get much easier!

See the new schedule and route [HERE!](#)

For bad weather, see the alternate schedule and route [HERE!](#)

See the CATS Ride Guide [HERE](#) for English!

See the CATS Ride Guide [HERE](#) for Spanish!

1. Cookeville Area Transit

Whether you're a first time rider, a loyal patron or even a veteran, Upper Cumberland Human Resource Agency's Cookeville Area Transit System welcomes you. CATS want to make riding the bus an easy and enjoyable experience. Cookeville Area Transit System remains dedicated to providing you with fast, easy, professional, and inexpensive transportation around the city of Cookeville and across the Tennessee Technological University campus.

2. Getting Started

We'll help you get from your starting point to your destination and back, letting you know the exact times and routes the bus runs, as well as, where you need to catch the bus. Simply call a member of our staff at 931-372-8000 or visit our schedule page. Cookeville Area Transit System provides comprehensive accessibility for all riders. The deviated fixed-route bus fleet is fully handicapped accessible. Riders who are challenged and unable to use the bus service may take advantage of UCHRA's Paratransit Service.

3. Reading the Schedule

Bus schedules provide specific information including the route name, major stops along the route, and easy-to-read, start and stop times, which varies with weekday, evening and weekend service. Schedules are free and available on any bus, and can be picked up from the UCHRA Putnam County Office. Cookeville Area Transit System does not provide service: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Eve and Christmas Day.

4. Riding the Bus

Be sure to get to the bus stop a few minutes early because schedule times may vary slightly due to inclement weather and traffic conditions. Patrons must wait at the designated bus stop area. Before getting on the bus, take a look at the lit display sign over the front windshield to confirm the bus route and final destination. If in doubt, just ask the driver.

5. Paying for Your Trip

Riding the bus is inexpensive. Cost for adults is \$1.00 per trip, \$3.00 for a day pass, \$25 for a 30 trip pass, or \$10.00 for a 10 trip pass; children 5 years and under ride free. (Tennessee Technological University students are free with student identification cards.) A ride ticket and all passes can be purchased at the UCHRA Putnam County Office.

6. Loading the Bus

As you get on the bus at the front door, you will need to drop your money or ticket into the fare box next to the driver. If you have any questions about your fare and/or destination, ask the driver BEFORE depositing your money. Patrons will need the EXACT FARE in either coins or dollar bills because the fare box does not make change and the drivers do not have change.

7. Getting Off the Bus

Before the bus approaches the destination, ring the bell by simply pulling the cord. Drivers will announce all major stops. While patrons are still seated, please be sure to gather all belongings. Patrons need to wait for the bus to come to a complete stop before exiting. Remember that surrounding traffic is not required to stop like it is for public school buses, make sure to look before crossing the street.

8. Serving Everyone

We're Your Bus line. And, as such, we're here to serve you. If you have comments, complaints and/or suggestions, whether good or bad, we welcome your feedback via phone, 931-372-8000 or email us comment4cats@uchra.com. UCHRA Cookeville Area Transit System and employment opportunities are available without regard to race, color, sex, age, religion, national origin, political affiliation, or disability.

Need assistance in booking your trip with CATS or our other transit services call (931) 372-8000 or 1-800-968-2472 or email comment4cats@uchra.com to book your trip today.

Reasonable Modification

UCHRA Public Transit will provide reasonable modification of policy and practice upon request to ensure that our transportation services are accessible to people with disabilities. Drivers can make some reasonable accommodations. Contact UCHRA Mobility Coordinator at customerservice@uchra.com or 931-520-9589 for Reasonable Modification of your trip, if required.

Go Green - Go Transit!

<http://uchra.com/cats/index.html>

80

2/24/2016



GREEN & PURPLE BUS SCHEDULE

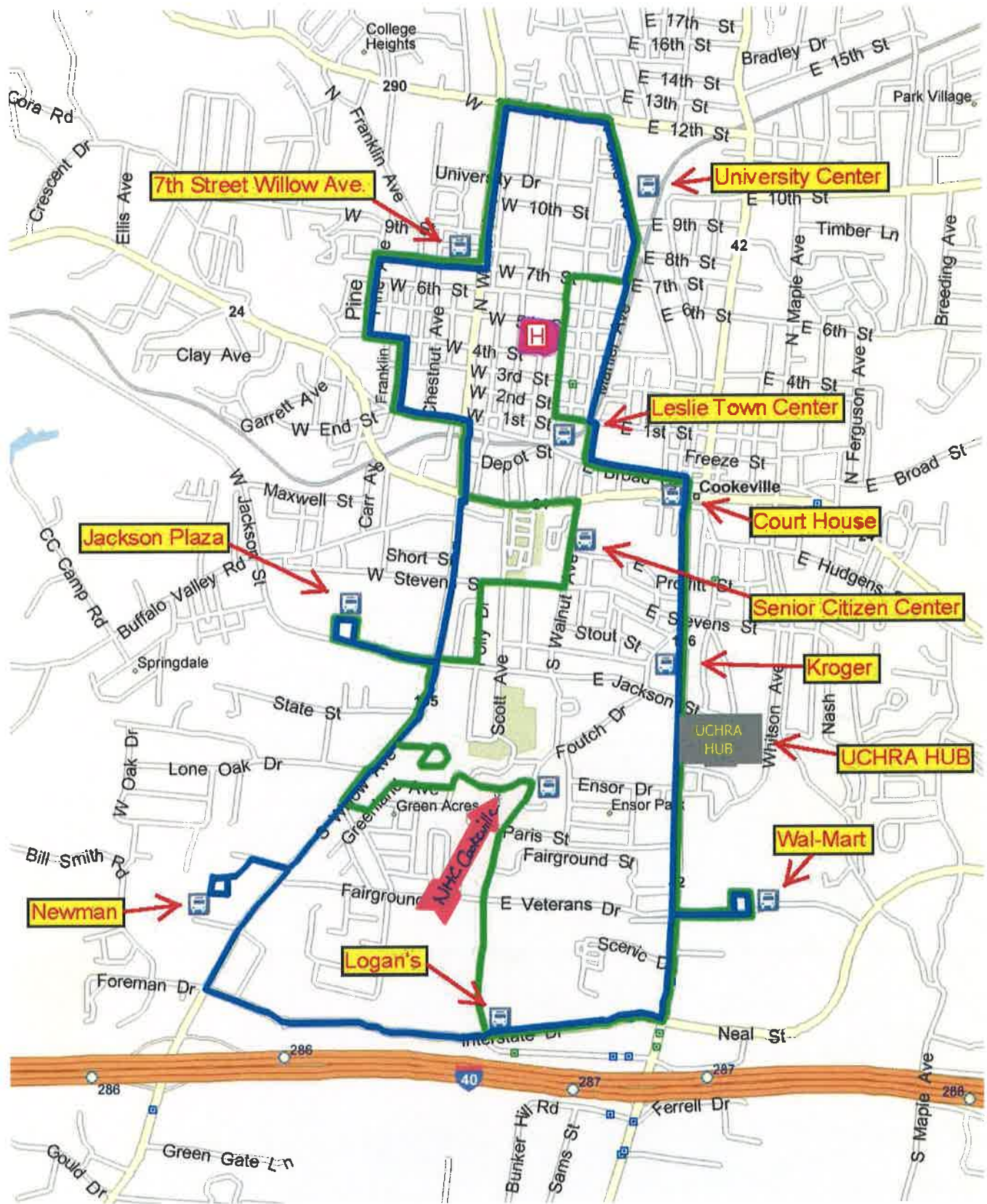
(Deviated Fixed Route)

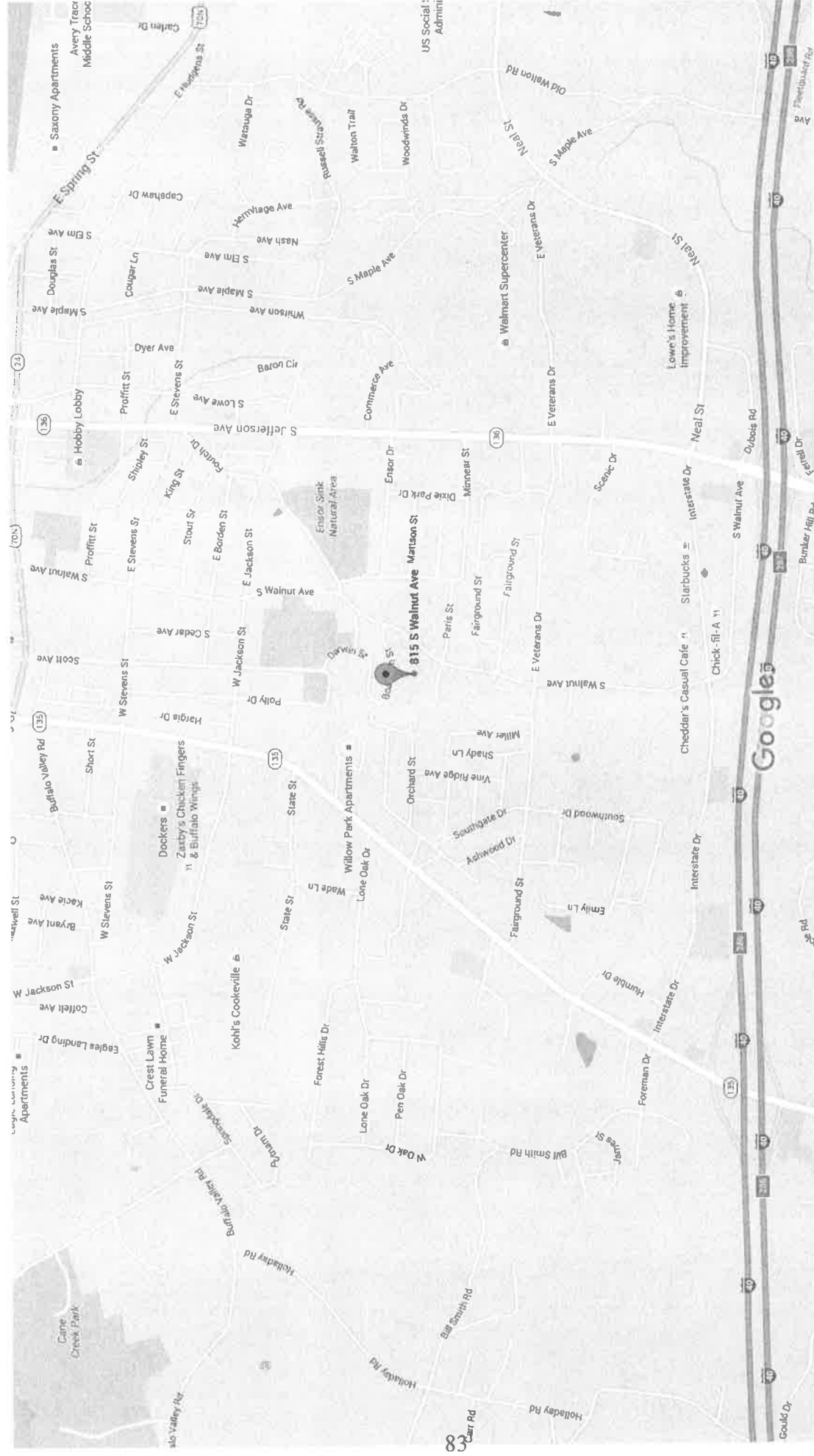
Green Route		Purple Route	
Monday Through Thursday	7am - 6pm	Monday Through Friday	7am - 6pm
Friday	7am - 10pm		
Saturday	10am - 10pm		

Stops	Green Route (Clockwise)				Purple Route (Counter-Clockwise)			
	Dir	Trip 1	Hourly Schedule	Last	Dir	Trip 1	Hourly Schedule	Last
UCHRA Hub	S	7:00am	departs every hour at :00	5:00pm	N	7:00am	Departs every hour at :00	5:00pm
Wal-Mart	S	7:02am	stops every hour at :02	5:02pm	N	7:47am	stops every hour at :47	5:47pm
Logan's	W	7:06am	stops every hour at :06	5:06pm	E	7:41am	stops every hour at :41	5:41pm
Newman					E	7:36am	stops every hour at :36	5:36pm
Jackson Plaza	W	7:20am	stops every hour at :20	5:20pm	E	7:28am	stops every hour at :28	5:28pm
Senior Citizen Center	W	7:26am	stops every hour at :26	5:26pm				
7th Street and Willow Ave	N	7:35am	stops every hour at :35	5:35pm	E	7:16pm	stops every hour at :16	5:16pm
University Center	W	7:40am	stops every hour at :40	5:40pm	E	7:11am	stops every hour at :11	5:11pm
Leslie Town Center	W	7:45am	stops every hour at :45	5:45pm				
Court House	W	7:47am	stops every hour at :47	5:47pm	E	7:05am	stops every hour at :05	5:05pm
Kroger	W	7:49am	stops every hour at :49	5:49pm	E	7:03am	stops every hour at :03	5:03pm

Flag-down area: Simply wave at the bus from the curb.

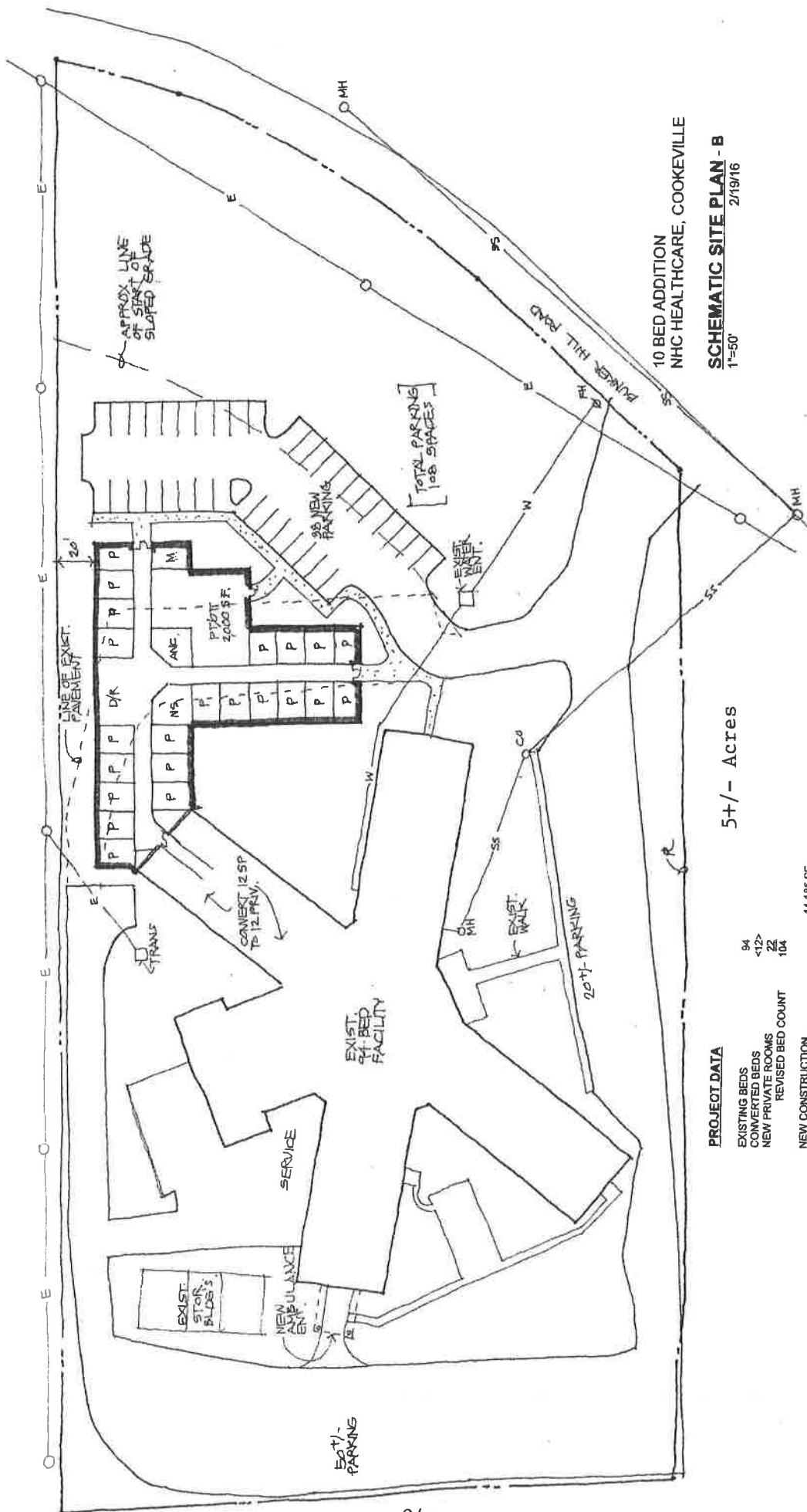
If you are needing pickup for CATS that is "off the route" from designated stops between 6:00pm and 10:00pm on Friday or 10:00am to 10:00pm on Saturday please call 931-261-6846 between 6:00pm and 9:00am for Fridays or 9:00am to 9:00pm for Saturdays and leave message for driver.





Section B - Project Description - IV

Floor Plan



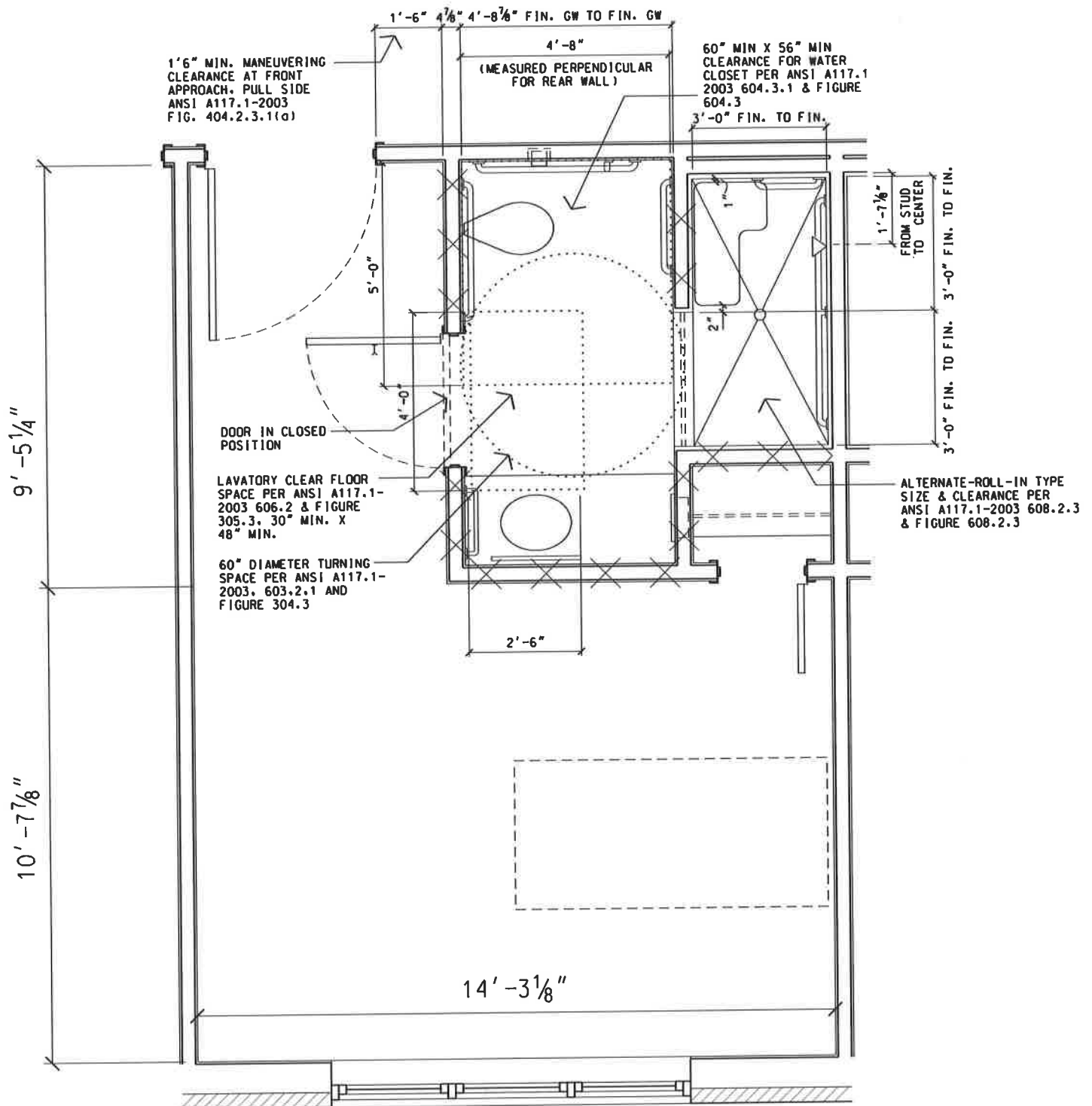
10 BED ADDITION
NHC HEALTHCARE, COOKEVILLE

SCHEMATIC SITE PLAN - B
2/19/16
1"=50'

5+/- Acres

PROJECT DATA

EXISTING BEDS	94
CONVERTED BEDS	<12>
NEW PRIVATE ROOMS	22
REVISED BED COUNT	104
NEW CONSTRUCTION	14,185 SF
RENOVATED SPACE	2,550 SF (ACTUAL PATIENT ROOM AREA)
CONVERT 12 SEMI-PRIVATE ROOMS TO 12 PRIVATE ROOMS	



TYPICAL PATIENT ROOM

Section C – General Criteria - 1.A.

Nursing Facility Bed Need

TN Bed Need Formula

SNF Need Formula

12/11/2015

Putnam County

County Bed Need

2018 Population	Rate	Needed Beds By Age
70,265	0.0005	35
Population 65 & under 7,167	0.012	86
Population 65-74 3,832	0.06	230
Population 75-84 1,359	0.15	204
Population 85+ 82,623		555

Existing Beds = 504
Need = 51

Source: (Existing beds based on licensed beds, Licensed Health Facilities, TN Department of Health

General Bed Need Formula

Putnam County

County Bed Need

2018 Population	Rate	Needed Beds By Age
70,265	0.0004	28
Population 65 & under 7,167	0.01	72
Population 65-74 3,832	0.04	153
Population 75-84 1,359	0.15	204
Population 85+ 82,623		457

Existing Beds = 504
Need = (47)

Source: (Existing beds based on licensed beds, Licensed Health Facilities, TN Department of Health

NURSING HOME BED POOL STATS

July 1, 2015 through June 30, 2016
125 BED POOL

Nursing Home Beds APPROVED	25 NH Beds
Swing Beds APPROVED	0 Swing Beds
Nursing Home Beds DENIED	0 NH Beds
Swing Beds DENIED	0 NH Beds
Total Beds AVAILABLE from Bed Pool	100 Beds Available

Nursing Home Beds PENDING	8 NH Beds
Swing Beds PENDING	0 Swing Beds
Total Beds PENDING from Bed Pool	8 Beds Pending

<u>COUNTY</u>	<u>PROJECT NUMBER</u>	<u>FACILITY</u>	<u>PROJECT DISPOSITION</u>	<u>MEETING DATE</u>	<u>DESCRIPTION</u>
Humphreys	CN1511-049	Humphreys County Nursing Home	Approved	2/24/2016	Relocate and replace an existing nursing home 2 miles from its current location. The new facility will add 25 new beds to increase its bed count to 91 beds.
Sullivan	CN1601-003	NHC Healthcare Kingsport, LLC	Pending	4/27/2016	The addition of 8 new Medicare only certified SNF nursing home beds to the existing 52 Medicare only nursing home bed complement.

NURSING HOME BED POOL STATS

Updated 3/1/2016

Page 1 of 1

Section C - General Criteria – 1.A.3

Inventory and Utilization

Health Care Facilities

Licensed Facilities**Last Updated: 2/23/2016 11:00:10 PM**

For more information, please contact:
 Health Care Facilities: (615)741-7221 or 1-888-310-4650

Current Listings:

Type = Nursing Home *County* = PUTNAM

[Click here to return to the search page](#)

Total Facilities:4**Total Beds:504**

1.
 BETHESDA HEALTH CARE
 CENTER, INC.
 444 ONE ELEVEN PLACE
 Cookeville , TN 38506
Attn: Tamara Brown (Interim)
 (931) 525-6655
Rank:

Administrator: Tamara Marlene
 Brown
Owner Information:
 BETHESDA HEALTH CARE
 CENTER, INC.
 P.O. BOX 10
 Parsons, TN 38363
 (731) 847-6343

Facility License
Number: 00000379
Status: Licensed
Number of Beds: 0120
Date of Last
Survey: 04/29/2015
Accreditation Expires:
Date of Original
Licensure: 06/15/2001
Date of Expiration: 06/15/2016

This Facility is Managed By:
 TENNESSEE HEALTH
 MANAGEMENT,INC.
 Parsons TN

Facility License
Number: 00000204
Status: Licensed
Number of Beds: 0094
Date of Last
Survey: 03/11/2015
Accreditation Expires:
Date of Original
Licensure: 07/01/1992
Date of Expiration: 05/07/2017

This Facility is Managed By:
 TENNESSEE HEALTHCARE
 ADVISORS, LLC
 Murfreesboro TN

Facility License
Number: 00000206

2.
 NHC HEALTHCARE,
 COOKEVILLE
 815 SOUTH WALNUT AVENUE
 Cookeville , TN 38501
Attn: JEREMY E. STONER
 (931) 528-5516
Rank:

Administrator: Jeremy E. Stoner
Owner Information:
 NATIONAL HEALTH
 CORPORATION
 100 E. VINE STREET
 Murfreesboro, TN 37130
 (615) 890-2020

3.
SIGNATURE HEALTHCARE OF
PUTNAM COUNTY
278 DRY VALLEY ROAD
Cookeville , TN 38506
Attn: Lee E. Rooney (2800)
(931) 537-6524
Rank:
- Administrator:* Lee E. Rooney
Owner Information:
LP COOKEVILLE LLC
12201 BLUEGRASS PARKWAY
Louisville, KY 40299
(502) 568-7800
- Status:* Licensed
Number of Beds: 0175
Date of Last
Survey: 02/04/2015
Accreditation Expires:
Date of Original
Licensure: 07/01/1992
Date of Expiration: 01/10/2017
- This Facility is Managed By:*
SIGNATURE CLINICAL
CONSULTING SERVICES
Louisville KY
Facility License
Number: 00000207
Status: Licensed
Number of Beds: 0115
Date of Last
Survey: 10/21/2015
Accreditation Expires:
Date of Original
Licensure: 07/01/1992
Date of Expiration: 06/02/2016
- This Facility is Managed By:*
SIGNATURE CONSULTING
SERVICES, LLC
Louisville KY
4.
STANDING STONE CARE AND
REHABILITATION CENTER
410 WEST CRAWFORD AVE.
Monterey , TN 38574-1122
Attn: Jeff Amonett (1718)
(931) 839-2244
Rank:
- Administrator:* Jeff Amonett
Owner Information:
LP MONTEREY, LLC
12201 BLUEGRASS PARKWAY
Louisville, KY 40299
(502) 568-7800

**Putnam County Nursing Homes Occupancy
2012 - 2014**

	NURSING HOMES	2016 Licensed Beds	2012 Occupancy	2013 Occupancy	2014 Occupancy
1	Bethesda Health Care Center	120	73.3%	90.6%	65.2%
2	NHC HealthCare, Cookeville	94	96.8%	87.9%	92.3%
4	Signature Healthcare of Putnam County*	175	96.4%	92.8%	91.1%
5	Standing Stone Care and Rehabilitation Center	115	79.5%	80.7%	82.8%
	Total	504	87.1%	88.6%	82.9%

* Signature reporting period 1/1/14 - 4/30/14. Occupancy is based on 3 months of data.

Source: 2012 - 2014 JAR Reports Utilization

PROVIDER SELECTION

The tables show inpatient and post-acute care providers within the marketplace you have selected. Click a provider name to view care transitions between this provider and other facilities. To select a provider from a different setting such as post-acute care, click the tabs at the top of the table. You can return to this selection panel at any time by clicking the "Provider Selection" link in the navigation bar at the top of the screen. Please note that to uphold compliance with PHI requirements we do not display volumes less than 11.

ACTIONS

[Back](#) [Grid](#) [Map](#)

Acute Inpatient **Skilled Nursing Facility** **Home Health** **Hospice** **Long Term Acute Care** **Rehab**

Provider ID	Provider Name	Total Encounters	Percent of total that used PAC within 30-days	Market Share
440659	COOKEVILLE REGIONAL MEDICAL CENTER	2776	36%	71%
440039	VANDERBILT UNIVERSITY HOSPITAL	152	29%	3%
440009	CUMBERLAND MEDICAL CENTER	148	39%	3%
440187	LIVINGSTON REGIONAL HOSPITAL	112	29%	2%
440082	SAINT THOMAS WEST HOSPITAL	104	26%	2%
440161	TRISTAR CENTENNIAL MEDICAL CENTER	61	22%	1%
440133	SAINT THOMAS MIDTOWN HOSPITAL	53	26%	1%
440192	HIGHLANDS MEDICAL CENTER	46	21%	1%
440083	JAMESTOWN REGIONAL MEDICAL CENTER	44	34%	1%
440193	UNIVERSITY MEDICAL CENTER	31	48%	0%
441307	RIVERVIEW REGIONAL MEDICAL CENTER	30	26%	0%
440104	ERLANGER MEDICAL CENTER	23	30%	0%
440141	CUMBERLAND RIVER HOSPITAL	18	27%	0%
440173	PARKWEST MEDICAL CENTER	18	33%	0%
440006	TRISTAR SKYLINE MEDICAL CENTER	14	Less than 11	0%
440148	STONES RIVER HOSPITAL AND DEKALB COMMUNITY HOSP	14	42%	0%

Advisory Board Company

About Us
Research
Technology
Consulting
Solutions
Talent Development

Recent Tool Launches

Outpatient Market Estimator
Value-Based Purchasing
Inpatient Forecaster
Readmissions Penalty Estimator

Other Tools

Data and Analytics Navigator
Customized Assessment Portal

Contact Us

Advisory.com Support
Tools Support

PROVIDER SELECTION

The tables show inpatient and post-acute care providers within the marketplace you have selected. Click a provider name to view care transitions between this provider and other facilities. To select a provider from a different setting such as post-acute care, click the tabs at the top of the table. You can return to this selection panel at any time by clicking the "Provider Selection" link in the navigation bar at the top of the screen. Please note that to uphold compliance with PHI requirements we do not display volumes less than 11.

ACTIONS

[Back](#) [Grid](#) [Map](#)

[Acute Inpatient](#) [Skilled Nursing Facility](#) [Home Health](#) [Hospice](#) [Long Term Acute Care](#) [Rehab](#)

Provider ID	Provider Name	Total Encounters	Market Share
445427	BETHESDA HEALTH CARE CENTER	209	28%
445110	NHC HEALTHCARE, COOKEVILLE	151	20%
445136	SIGNATURE HEALTHCARE OF PUTNAM COUNTY	99	13%
445363	STANDING STONE CARE AND REHAB	85	11%
445421	LIFE CARE CENTER OF SPARTA	30	4%
445167	LIFE CARE CENTER OF CROSSVILLE	21	2%
445304	WYNDRIDGE HEALTH AND REHAB CTR	20	2%
445272	MABRY HEALTH CARE	15	2%
445419	OVERTON COUNTY NURSING HOME	Less than 11	
445362	SIGNATURE HEALTHCARE OF FENTRESS COUNTY	Less than 11	
445130	NHC HEALTHCARE, SPARTA	Less than 11	
445116	NHC HEALTHCARE, SMITHVILLE	Less than 11	
445258	SUMMIT VIEW OF FARRAGUT, LLC	Less than 11	
445172	KINDRED NURSING AND REHABILITATION-SMITH COUNTY	Less than 11	
445500	PAVILION-THS, LLC	Less than 11	
445510	WHARTON NURSING HOME	Less than 11	
185168	MONROE HEALTH AND REHABILITATION CENTER	Less than 11	

Advisory Board Company

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Section C – General Criteria – I.A. 4

Service Area JAR Report

**Putnam County
Private and Semi-private Rooms**

	Nursing Homes	Beds Set Up and Staffed	# of Beds in Pvt Rooms	# of Beds in Semi-Pvt Rooms	# of Beds In Ward
1	Bethesda Health Care Center	120	0	120	0
2	NHC HealthCare, Cookeville	94	0	94	0
4	Signature Healthcare of Putnam County	175	1	174	0
5	Standing Stone Care and Rehabilitation Center	115	5	102	8
	Total	504	6	490	8

Source: 2014 TN JAR Summary Reports Schedule E - Beds

Putnam County Nursing Homes
2012 - 2014 Patient Days

	NURSING HOMES*	2015 Licensed Beds	2012 Patient Days	2013 Patient Days	2014 Patient Days	'12 - '14 % of Change	2012 % Occ.	2013 % Occ.	2014 % Occ.
1	Bethesda Health Care Center	120	32,090	39,670	28,554	-11.0%	73.3%	90.6%	65.2%
2	NHC HealthCare, Cookeville	94	33,229	30,169	31,670	-4.7%	96.8%	87.9%	92.3%
4	Signature Healthcare of Putnam County*	175	61,552	59,259	19,147	-68.9%	96.4%	92.8%	91.1%
5	Standing Stone Care and Rehabilitation Center	115	33,363	33,860	34,759	4.2%	79.5%	80.7%	82.8%

* Signature reporting period 1/1/14 - 4/30/14. Occupancy is based on 3 months of data.

Source: 2012 - 2014 JAR Reports

**Putnam County Nursing Homes
2014**

	NURSING HOMES	Licensed Beds	SNF Beds - Medicare	SNF/NF Beds Dually Certified	NF Beds - Medicaid	Licensed Only Beds - Non Certified	SNF Medicare/ Level II ADC	NF - ADC (Medicaid/ Level I Only)	Licensed Occupancy
1	Bethesda Health Care Center	120	0	120	0	0	28	42	65.2%
2	NHC HealthCare, Cookeville	94	0	94	0	0	24	0	92.3%
4	Signature Healthcare of Putnam County*	175	0	175	0	0	23	0	91.1%
5	Standing Stone Care and Rehabilitation Center	115	0	115	0	0	25	0	82.8%

* Signature reporting period 1/1/14 - 4/30/14. Occupancy is based on 3 months of data.

Source: 2014 TN JAR Summary Reports

**Putnam County Nursing Homes
2013**

NURSING HOMES		Licensed Beds	SNF Beds - Medicare	SNF/NF Beds Dually Certified	NF Beds - Medicaid	Licensed Only Beds - Non Certified	SNF Medicare/ Level II ADC	NF - ADC (Medicaid/ Level I Only)	Licensed Occupancy
1	Bethesda Health Care Center	120	0	120	0	0	28	77	90.6%
2	NHC HealthCare, Cookeville	94	0	94	0	0	25	0	87.9%
4	Signature Healthcare of Putnam County	175	0	175	0	0	29	0	92.8%
5	Standing Stone Care and Rehabilitation Center	115	0	78	37	0	21	0	80.7%

Source: 2013 TN JAR Summary Reports

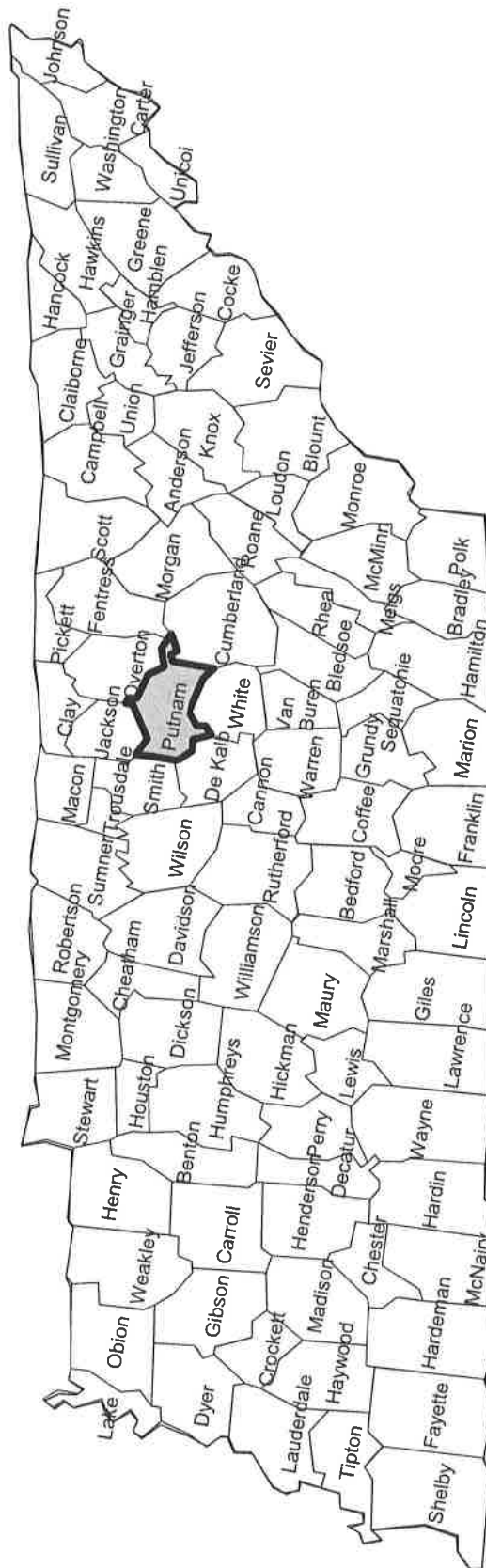
**Putnam County Nursing Homes
2012**

	NURSING HOMES	Licensed Beds	SNF Beds - Medicare	SNF/NF Beds Dually Certified	NF Beds - Medicaid	Licensed Only Beds - Non Certified	SNF Medicare/ Level II ADC	NF - ADC (Medicaid/ Level I Only)	Licensed Occupancy
1	Bethesda Health Care Center	120	0	120	0	0	23	62	73.3%
2	NHC HealthCare, Cookeville	94	0	48	46	0	25	0	96.8%
4	Signature Healthcare of Putnam County	175	0	175	0	0	31	123	96.4%
5	Standing Stone Care and Rehabilitation Center	115	0	78	37	0	22	0	79.5%

Source: 2012 TN JAR Summary Reports

Section C – General Criteria - 3

Service Area Map

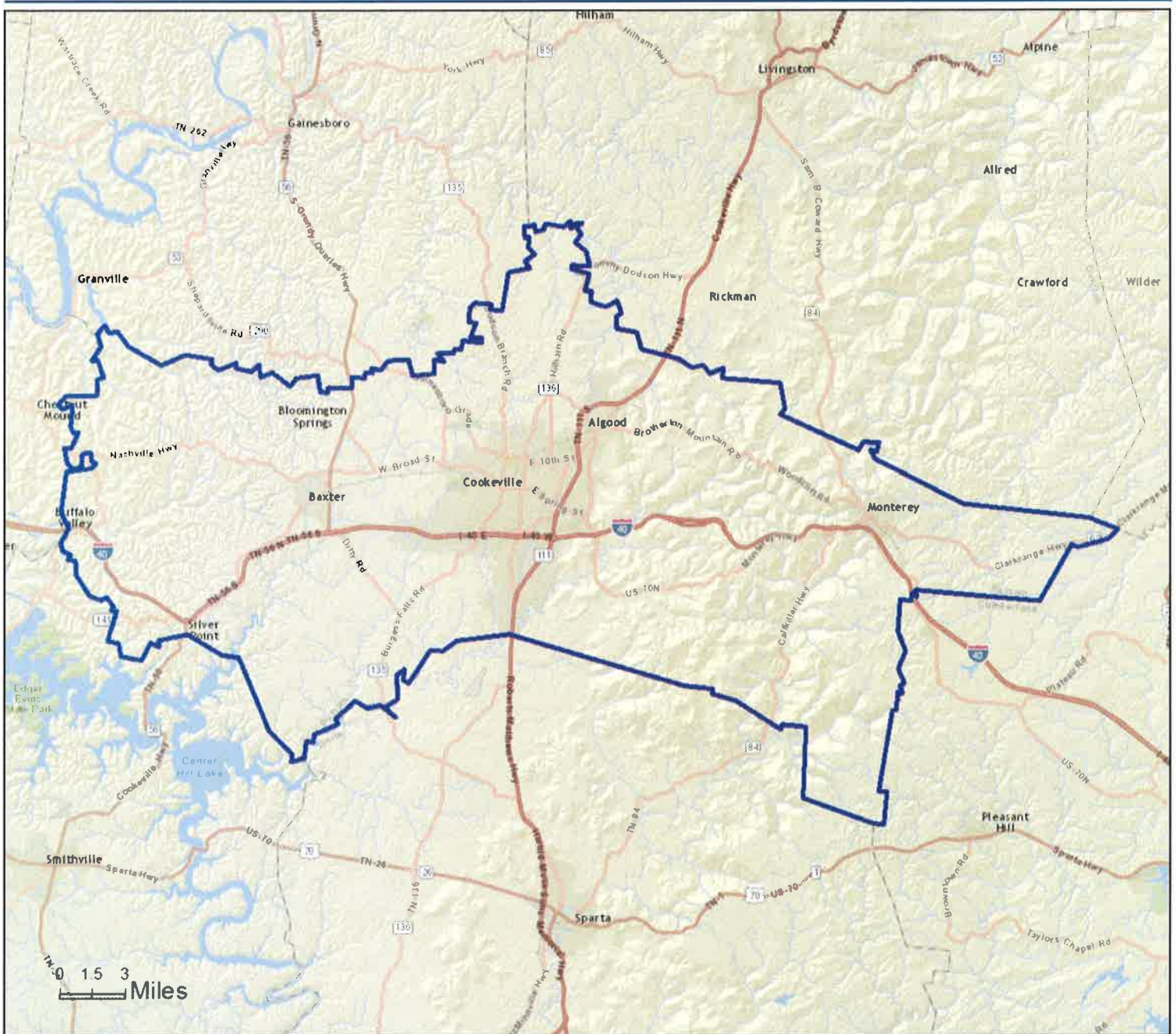




Site Details Map

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri



This site is located in:

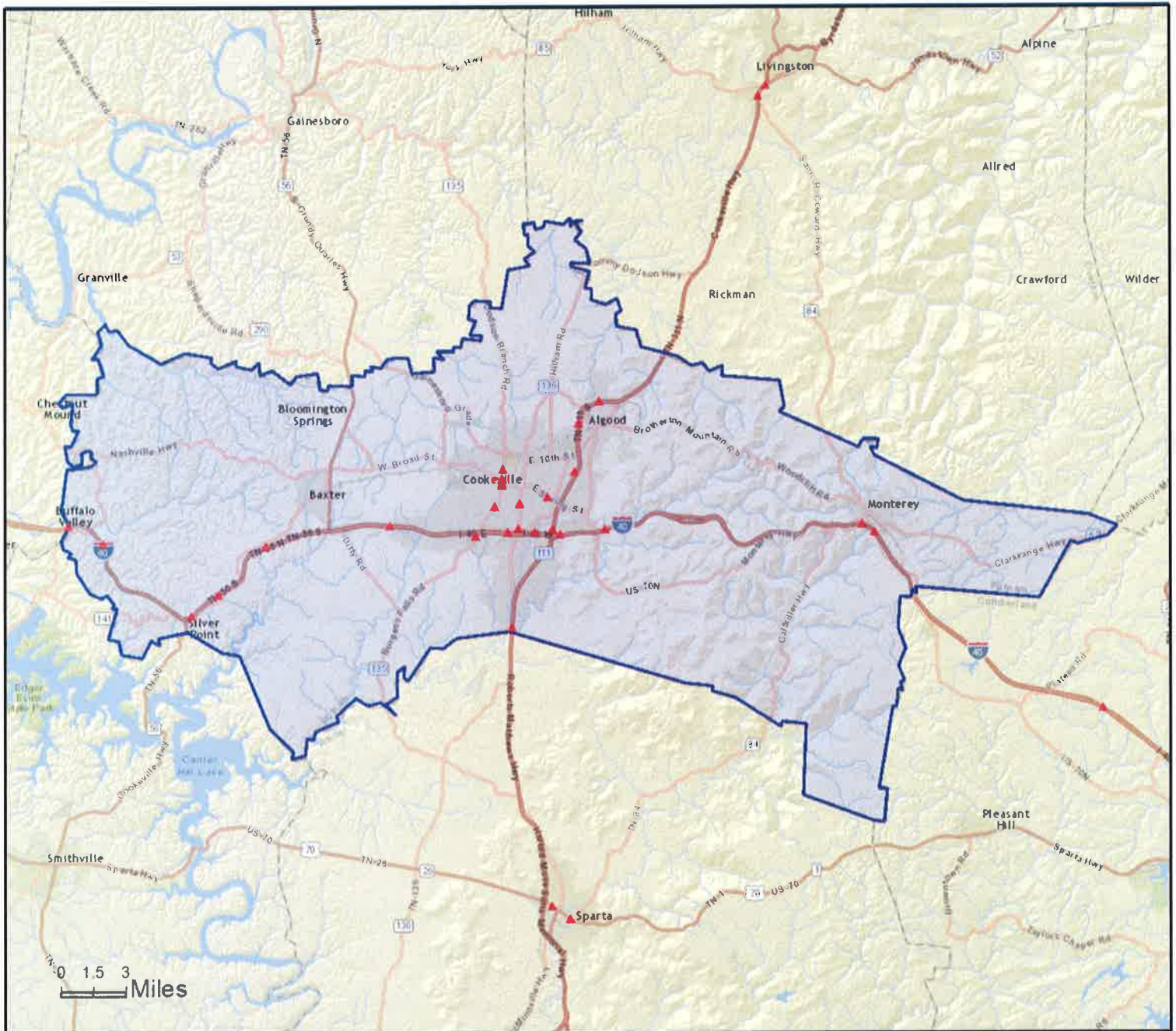
City: Cookeville city
County: Putnam County
State: Tennessee
ZIP Code: 38501
Census Tract: 47141000600
Census Block Group: 471410006001
CBSA: Cookeville, TN Micropolitan Statistical Area

February 17, 2016



Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri



Average Daily Traffic Volume
▲ Up to 6,000 vehicles per day
▲ 6,001 - 15,000
▲ 15,001 - 30,000
▲ 30,001 - 50,000
▲ 50,001 - 100,000
▲ More than 100,000 per day



Source: ©2015 Market Planning Solutions, Inc.

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Site Map on Satellite Imagery - 1.6 Miles Wide

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri



Source: ArcGIS Online World Imagery Basemap



February 17, 2016

Section C – General Criteria – 4A

Demographics of the Population Served

Population Projections,
Tennessee Counties and the State,
2010-2020

COUNTY - PUTNAM
SEX - Total

AGE	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
0-4	4,332	4,323	4,696	5,091	5,502	5,940	6,164	6,312	6,427	6,504	6,558
5-9	4,338	4,322	4,378	4,479	4,571	4,630	4,890	5,257	5,650	6,049	6,488
10-14	4,301	4,271	4,390	4,426	4,516	4,585	4,706	4,755	4,853	4,940	4,997
15-19	5,976	5,813	5,947	4,943	4,905	4,755	4,631	4,744	4,785	4,867	4,932
20-24	7,441	8,050	8,771	8,633	8,187	7,675	6,956	6,178	6,066	6,019	5,862
25-29	4,827	4,672	5,173	5,862	6,705	7,720	8,796	9,506	9,371	8,928	8,414
30-34	4,168	4,225	4,319	4,457	4,629	4,772	5,036	5,533	6,213	7,049	8,050
35-39	4,180	4,105	4,069	4,139	4,207	4,325	4,454	4,543	4,685	4,855	4,998
40-44	4,428	4,443	4,473	4,424	4,388	4,326	4,291	4,252	4,327	4,388	4,510
45-49	4,718	4,604	4,563	4,498	4,474	4,510	4,555	4,583	4,535	4,495	4,436
50-54	4,630	4,606	4,645	4,672	4,644	4,641	4,615	4,576	4,506	4,485	4,517
55-59	4,304	4,341	4,418	4,439	4,549	4,523	4,518	4,565	4,582	4,553	4,552
60-64	4,113	4,292	4,144	4,127	4,056	4,150	4,173	4,247	4,265	4,362	4,345
65-69	3,394	3,520	3,729	3,770	3,851	3,897	3,992	3,858	3,841	3,774	3,864
70-74	2,525	2,590	2,657	2,835	2,969	3,036	3,100	3,294	3,326	3,403	3,441
75-79	1,999	2,040	2,018	2,054	2,071	2,111	2,136	2,188	2,342	2,453	2,509
80-84	1,443	1,476	1,518	1,489	1,479	1,478	1,478	1,466	1,490	1,505	1,535
85 plus	1,204	1,268	1,284	1,308	1,321	1,342	1,338	1,372	1,359	1,363	1,372
All Ages	72,321	72,961	74,292	75,646	77,024	78,416	79,829	81,219	82,623	83,992	85,380

Source: The University of Tennessee Center for Business and Economic Research Population Projection Data Files, Reassembled by the Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics.

Note: These data will not match the University of Tennessee Center for Business of Economic Research data exactly due to rounding.

2013 Revision (6/13)



Executive Summary

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

Putnam County, T...

Population

2000 Population	62,315
2010 Population	72,321
2015 Population	75,324
2020 Population	78,047
2000-2010 Annual Rate	1.50%
2010-2015 Annual Rate	0.78%
2015-2020 Annual Rate	0.71%
2015 Male Population	49.7%
2015 Female Population	50.3%
2015 Median Age	36.8

In the identified area, the current year population is 75,324. In 2010, the Census count in the area was 72,321. The rate of change since 2010 was 0.78% annually. The five-year projection for the population in the area is 78,047 representing a change of 0.71% annually from 2015 to 2020. Currently, the population is 49.7% male and 50.3% female.

Median Age

The median age in this area is 36.8, compared to U.S. median age of 37.9.

Race and Ethnicity

2015 White Alone	91.0%
2015 Black Alone	2.3%
2015 American Indian/Alaska Native Alone	0.5%
2015 Asian Alone	1.3%
2015 Pacific Islander Alone	0.1%
2015 Other Race	3.2%
2015 Two or More Races	1.6%
2015 Hispanic Origin (Any Race)	6.1%

Persons of Hispanic origin represent 6.1% of the population in the identified area compared to 17.6% of the U.S. population. Persons of Hispanic Origin may be of any race. The Diversity Index, which measures the probability that two people from the same area will be from different race/ethnic groups, is 26.7 in the identified area, compared to 63.0 for the U.S. as a whole.

Households

2000 Households	24,865
2010 Households	28,930
2015 Total Households	30,259
2020 Total Households	31,382
2000-2010 Annual Rate	1.53%
2010-2015 Annual Rate	0.86%
2015-2020 Annual Rate	0.73%
2015 Average Household Size	2.40

The household count in this area has changed from 28,930 in 2010 to 30,259 in the current year, a change of 0.86% annually. The five-year projection of households is 31,382, a change of 0.73% annually from the current year total. Average household size is currently 2.40, compared to 2.41 in the year 2010. The number of families in the current year is 19,160 in the specified area.

Data Note: Income is expressed in current dollars

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

February 17, 2016



Executive Summary

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

Putnam County, T...

Median Household Income

2015 Median Household Income	\$36,152
2020 Median Household Income	\$42,270
2015-2020 Annual Rate	3.18%

Average Household Income

2015 Average Household Income	\$52,270
2020 Average Household Income	\$59,713
2015-2020 Annual Rate	2.70%

Per Capita Income

2015 Per Capita Income	\$21,210
2020 Per Capita Income	\$24,219
2015-2020 Annual Rate	2.69%

Households by Income

Current median household income is \$36,152 in the area, compared to \$53,217 for all U.S. households. Median household income is projected to be \$42,270 in five years, compared to \$60,683 for all U.S. households

Current average household income is \$52,270 in this area, compared to \$74,699 for all U.S. households. Average household income is projected to be \$59,713 in five years, compared to \$84,910 for all U.S. households

Current per capita income is \$21,210 in the area, compared to the U.S. per capita income of \$28,597. The per capita income is projected to be \$24,219 in five years, compared to \$32,501 for all U.S. households

Housing

2000 Total Housing Units	26,916
2000 Owner Occupied Housing Units	16,318
2000 Renter Occupied Housing Units	8,547
2000 Vacant Housing Units	2,051
2010 Total Housing Units	31,882
2010 Owner Occupied Housing Units	17,935
2010 Renter Occupied Housing Units	10,995
2010 Vacant Housing Units	2,952
2015 Total Housing Units	33,572
2015 Owner Occupied Housing Units	17,629
2015 Renter Occupied Housing Units	12,630
2015 Vacant Housing Units	3,313
2020 Total Housing Units	34,932
2020 Owner Occupied Housing Units	18,233
2020 Renter Occupied Housing Units	13,149
2020 Vacant Housing Units	3,550

Currently, 52.5% of the 33,572 housing units in the area are owner occupied; 37.6% renter occupied; and 9.9% are vacant. Currently, in the U.S., 55.7% of the housing units in the area are owner occupied; 32.8% are renter occupied; and 11.6% are vacant. In 2010, there were 31,882 housing units in the area - 56.3% owner occupied, 34.5% renter occupied, and 9.3% vacant. The annual rate of change in housing units since 2010 is 2.32%. Median home value in the area is \$148,082, compared to a median home value of \$200,006 for the U.S. In five years, median value is projected to change by 2.96% annually to \$171,305.

Data Note: Income is expressed in current dollars

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

February 17, 2016



Market Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

	Putnam County, T...
Population Summary	
2000 Total Population	62,315
2010 Total Population	72,321
2015 Total Population	75,324
2015 Group Quarters	2,563
2020 Total Population	78,047
2015-2020 Annual Rate	0.71%
Household Summary	
2000 Households	24,865
2000 Average Household Size	2.40
2010 Households	28,930
2010 Average Household Size	2.41
2015 Households	30,259
2015 Average Household Size	2.40
2020 Households	31,382
2020 Average Household Size	2.41
2015-2020 Annual Rate	0.73%
2010 Families	18,489
2010 Average Family Size	2.94
2015 Families	19,160
2015 Average Family Size	2.94
2020 Families	19,763
2020 Average Family Size	2.95
2015-2020 Annual Rate	0.62%
Housing Unit Summary	
2000 Housing Units	26,916
Owner Occupied Housing Units	60.6%
Renter Occupied Housing Units	31.8%
Vacant Housing Units	7.6%
2010 Housing Units	31,882
Owner Occupied Housing Units	56.3%
Renter Occupied Housing Units	34.5%
Vacant Housing Units	9.3%
2015 Housing Units	33,572
Owner Occupied Housing Units	52.5%
Renter Occupied Housing Units	37.6%
Vacant Housing Units	9.9%
2020 Housing Units	34,932
Owner Occupied Housing Units	52.2%
Renter Occupied Housing Units	37.6%
Vacant Housing Units	10.2%
Median Household Income	
2015	\$36,152
2020	\$42,270
Median Home Value	
2015	\$148,082
2020	\$171,305
Per Capita Income	
2015	\$21,210
2020	\$24,219
Median Age	
2010	35.9
2015	36.8
2020	38.3

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

February 17, 2016



Market Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

Putnam County, T...

2015 Households by Income

Household Income Base	30,259
<\$15,000	20.4%
\$15,000 - \$24,999	15.7%
\$25,000 - \$34,999	12.4%
\$35,000 - \$49,999	14.6%
\$50,000 - \$74,999	16.7%
\$75,000 - \$99,999	8.1%
\$100,000 - \$149,999	7.4%
\$150,000 - \$199,999	2.6%
\$200,000+	2.1%
Average Household Income	\$52,270

2020 Households by Income

Household Income Base	31,382
<\$15,000	19.2%
\$15,000 - \$24,999	12.4%
\$25,000 - \$34,999	10.1%
\$35,000 - \$49,999	14.7%
\$50,000 - \$74,999	18.9%
\$75,000 - \$99,999	10.1%
\$100,000 - \$149,999	8.7%
\$150,000 - \$199,999	3.5%
\$200,000+	2.4%
Average Household Income	\$59,713

2015 Owner Occupied Housing Units by Value

Total	17,629
<\$50,000	6.0%
\$50,000 - \$99,999	19.3%
\$100,000 - \$149,999	25.7%
\$150,000 - \$199,999	19.4%
\$200,000 - \$249,999	11.3%
\$250,000 - \$299,999	6.5%
\$300,000 - \$399,999	6.7%
\$400,000 - \$499,999	2.5%
\$500,000 - \$749,999	1.6%
\$750,000 - \$999,999	0.4%
\$1,000,000 +	0.6%
Average Home Value	\$180,848

2020 Owner Occupied Housing Units by Value

Total	18,233
<\$50,000	3.5%
\$50,000 - \$99,999	13.1%
\$100,000 - \$149,999	23.7%
\$150,000 - \$199,999	22.7%
\$200,000 - \$249,999	15.5%
\$250,000 - \$299,999	8.4%
\$300,000 - \$399,999	7.3%
\$400,000 - \$499,999	2.5%
\$500,000 - \$749,999	2.1%
\$750,000 - \$999,999	0.7%
\$1,000,000 +	0.6%
Average Home Value	\$200,802

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

February 17, 2016



Market Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

Putnam County, T...

2010 Population by Age

Total	72,321
0 - 4	6.0%
5 - 9	6.0%
10 - 14	5.9%
15 - 24	18.6%
25 - 34	12.4%
35 - 44	11.9%
45 - 54	12.9%
55 - 64	11.6%
65 - 74	8.2%
75 - 84	4.8%
85 +	1.7%
18 +	78.5%

2015 Population by Age

Total	75,324
0 - 4	5.7%
5 - 9	5.8%
10 - 14	5.6%
15 - 24	17.3%
25 - 34	13.6%
35 - 44	11.2%
45 - 54	12.3%
55 - 64	12.1%
65 - 74	9.6%
75 - 84	4.9%
85 +	1.9%
18 +	79.7%

2020 Population by Age

Total	78,047
0 - 4	5.5%
5 - 9	5.6%
10 - 14	5.8%
15 - 24	16.3%
25 - 34	12.9%
35 - 44	11.6%
45 - 54	11.7%
55 - 64	12.3%
65 - 74	10.5%
75 - 84	5.9%
85 +	2.0%
18 +	79.8%

2010 Population by Sex

Males	35,818
Females	36,503

2015 Population by Sex

Males	37,431
Females	37,893

2020 Population by Sex

Males	38,857
Females	39,190



Market Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

Putnam County, T...

2010 Population by Race/Ethnicity

Total	72,321
White Alone	92.0%
Black Alone	2.0%
American Indian Alone	0.4%
Asian Alone	1.2%
Pacific Islander Alone	0.1%
Some Other Race Alone	2.8%
Two or More Races	1.5%
Hispanic Origin	5.3%
Diversity Index	23.9

2015 Population by Race/Ethnicity

Total	75,324
White Alone	91.0%
Black Alone	2.3%
American Indian Alone	0.5%
Asian Alone	1.3%
Pacific Islander Alone	0.1%
Some Other Race Alone	3.2%
Two or More Races	1.6%
Hispanic Origin	6.1%
Diversity Index	26.7

2020 Population by Race/Ethnicity

Total	78,047
White Alone	89.8%
Black Alone	2.7%
American Indian Alone	0.6%
Asian Alone	1.4%
Pacific Islander Alone	0.1%
Some Other Race Alone	3.7%
Two or More Races	1.7%
Hispanic Origin	7.1%
Diversity Index	30.0

2010 Population by Relationship and Household Type

Total	72,321
In Households	96.2%
In Family Households	77.4%
Householder	25.6%
Spouse	19.3%
Child	27.3%
Other relative	3.0%
Nonrelative	2.1%
In Nonfamily Households	18.9%
In Group Quarters	3.8%
Institutionalized Population	1.0%
Noninstitutionalized Population	2.8%

Data Note: Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

February 17, 2016



Market Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

Putnam County, T...

2015 Population 25+ by Educational Attainment

Total	49,369
Less than 9th Grade	6.6%
9th - 12th Grade, No Diploma	8.5%
High School Graduate	28.4%
GED/Alternative Credential	9.0%
Some College, No Degree	18.6%
Associate Degree	4.5%
Bachelor's Degree	15.1%
Graduate/Professional Degree	9.2%

2015 Population 15+ by Marital Status

Total	62,421
Never Married	30.9%
Married	49.5%
Widowed	6.5%
Divorced	13.1%

2015 Civilian Population 16+ In Labor Force

Civilian Employed	93.6%
Civilian Unemployed	6.4%

2015 Employed Population 16+ by Industry

Total	28,167
Agriculture/Mining	1.2%
Construction	7.8%
Manufacturing	12.4%
Wholesale Trade	2.0%
Retail Trade	13.0%
Transportation/Utilities	5.0%
Information	1.0%
Finance/Insurance/Real Estate	5.2%
Services	46.4%
Public Administration	6.2%

2015 Employed Population 16+ by Occupation

Total	28,167
White Collar	59.9%
Management/Business/Financial	12.1%
Professional	21.3%
Sales	12.8%
Administrative Support	13.7%
Services	17.6%
Blue Collar	22.4%
Farming/Forestry/Fishing	0.3%
Construction/Extraction	6.0%
Installation/Maintenance/Repair	3.3%
Production	7.5%
Transportation/Material Moving	5.3%



Market Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

		Putnam County, T...
2010 Households by Type		
Total		28,930
Households with 1 Person		28.0%
Households with 2+ People		72.0%
Family Households		63.9%
Husband-wife Families		48.3%
With Related Children		19.4%
Other Family (No Spouse Present)		15.6%
Other Family with Male Householder		4.7%
With Related Children		2.8%
Other Family with Female Householder		10.9%
With Related Children		6.9%
Nonfamily Households		8.1%
All Households with Children		29.5%
Multigenerational Households		3.1%
Unmarried Partner Households		5.6%
Male-female		5.0%
Same-sex		0.6%
2010 Households by Size		
Total		28,930
1 Person Household		28.0%
2 Person Household		35.9%
3 Person Household		16.2%
4 Person Household		12.0%
5 Person Household		5.1%
6 Person Household		1.8%
7 + Person Household		1.0%
2010 Households by Tenure and Mortgage Status		
Total		28,930
Owner Occupied		62.0%
Owned with a Mortgage/Loan		36.3%
Owned Free and Clear		25.7%
Renter Occupied		38.0%

Data Note: Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

February 17, 2016



Market Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

Putnam County, T...

Top 3 Tapestry Segments

1. Midlife Constants (5E)
2. Rooted Rural (10B)
3. Salt of the Earth (6B)

2015 Consumer Spending

Apparel & Services: Total \$	\$48,458,332
Average Spent	\$1,601.45
Spending Potential Index	69
Computers & Accessories: Total \$	\$5,402,396
Average Spent	\$178.54
Spending Potential Index	68
Education: Total \$	\$29,405,498
Average Spent	\$971.79
Spending Potential Index	64
Entertainment/Recreation: Total \$	\$71,336,995
Average Spent	\$2,357.55
Spending Potential Index	71
Food at Home: Total \$	\$115,621,579
Average Spent	\$3,821.06
Spending Potential Index	73
Food Away from Home: Total \$	\$69,326,081
Average Spent	\$2,291.09
Spending Potential Index	70
Health Care: Total \$	\$107,419,148
Average Spent	\$3,549.99
Spending Potential Index	75
HH Furnishings & Equipment: Total \$	\$39,691,315
Average Spent	\$1,311.72
Spending Potential Index	71
Investments: Total \$	\$53,028,772
Average Spent	\$1,752.50
Spending Potential Index	64
Retail Goods: Total \$	\$567,791,040
Average Spent	\$18,764.37
Spending Potential Index	74
Shelter: Total \$	\$327,646,372
Average Spent	\$10,828.06
Spending Potential Index	66
TV/Video/Audio: Total \$	\$29,249,861
Average Spent	\$966.65
Spending Potential Index	74
Travel: Total \$	\$38,541,902
Average Spent	\$1,273.73
Spending Potential Index	65
Vehicle Maintenance & Repairs: Total \$	\$23,952,418
Average Spent	\$791.58
Spending Potential Index	71

Data Note: Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

Source: Consumer Spending data are derived from the 2011 and 2012 Consumer Expenditure Surveys, Bureau of Labor Statistics, Esri.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

February 17, 2016



Age 50+ Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

Demographic Summary				2015-2020	2015-2020
	Census 2010	2015	2020	Change	Annual Rate
Total Population	72,321	75,324	78,047	2,723	0.71%
Population 50+	23,612	26,204	28,586	2,382	1.76%
Median Age	35.9	36.8	38.3	1.5	0.80%
Households	28,930	30,259	31,382	1,123	0.73%
% Householders 55+	41.1%	43.5%	46.2%	2.7	1.21%
Owner/Renter Ratio	1.6	1.4	1.4	0.0	0.00%
Median Home Value	-	\$148,082	\$171,305	\$23,223	2.96%
Average Home Value	-	\$180,848	\$200,802	\$19,954	2.12%
Median Household Income	-	\$36,152	\$42,270	\$6,118	3.18%
Median Household Income for Householder 55+	-	\$33,023	\$39,145	\$6,122	3.46%

Population by Age and Sex						
Male Population	Census 2010		2015		2020	
	Number	% of 50+	Number	% of 50+	Number	% of 50+
Total (50+)	10,834	100.0%	12,061	100.0%	13,200	100.0%
50-54	2,253	20.8%	2,291	19.0%	2,260	17.1%
55-59	2,057	19.0%	2,250	18.7%	2,274	17.2%
60-64	1,968	18.2%	2,116	17.5%	2,297	17.4%
65-69	1,583	14.6%	1,910	15.8%	2,048	15.5%
70-74	1,160	10.7%	1,440	11.9%	1,758	13.3%
75-79	850	7.8%	987	8.2%	1,278	9.7%
80-84	579	5.3%	599	5.0%	740	5.6%
85+	384	3.5%	468	3.9%	545	4.1%

Female Population	Census 2010		2015		2020	
	Number	% of 50+	Number	% of 50+	Number	% of 50+
Total (50+)	12,778	100.0%	14,143	100.0%	15,386	100.0%
50-54	2,377	18.6%	2,504	17.7%	2,370	15.4%
55-59	2,247	17.6%	2,423	17.1%	2,542	16.5%
60-64	2,145	16.8%	2,289	16.2%	2,474	16.1%
65-69	1,811	14.2%	2,144	15.2%	2,292	14.9%
70-74	1,365	10.7%	1,755	12.4%	2,095	13.6%
75-79	1,149	9.0%	1,222	8.6%	1,620	10.5%
80-84	864	6.8%	863	6.1%	965	6.3%
85+	820	6.4%	943	6.7%	1,028	6.7%

Total Population	Census 2010		2015		2020	
	Number	% of Total Pop	Number	% of Total Pop	Number	% of Total Pop
Total(50+)	23,612	32.6%	26,204	34.8%	28,586	36.6%
50-54	4,630	6.4%	4,795	6.4%	4,630	5.9%
55-59	4,304	6.0%	4,673	6.2%	4,816	6.2%
60-64	4,113	5.7%	4,405	5.8%	4,771	6.1%
65-69	3,394	4.7%	4,054	5.4%	4,340	5.6%
70-74	2,525	3.5%	3,195	4.2%	3,853	4.9%
75-79	1,999	2.8%	2,209	2.9%	2,898	3.7%
80-84	1,443	2.0%	1,462	1.9%	1,705	2.2%
85+	1,204	1.7%	1,411	1.9%	1,573	2.0%
65+	10,565	14.6%	12,331	16.4%	14,369	18.4%
75+	4,646	6.4%	5,082	6.7%	6,176	7.9%

Data Note - A "-" indicates that the variable was not collected in the 2010 Census.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.

February 17, 2016



Age 50+ Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

2015 Households by Income and Age of Householder 55+

	55-64	Percent	65-74	Percent	75+	Percent	Total	Percent
Total	5,226	100%	4,494	100%	3,445	100%	13,165	100%
<\$15,000	1,056	20.2%	801	17.8%	664	19.3%	2,521	19.1%
\$15,000-\$24,999	649	12.4%	729	16.2%	1,052	30.5%	2,430	18.5%
\$25,000-\$34,999	601	11.5%	666	14.8%	662	19.2%	1,929	14.7%
\$35,000-\$49,999	722	13.8%	720	16.0%	432	12.5%	1,874	14.2%
\$50,000-\$74,999	919	17.6%	819	18.2%	314	9.1%	2,052	15.6%
\$75,000-\$99,999	483	9.2%	273	6.1%	123	3.6%	879	6.7%
\$100,000-\$149,999	465	8.9%	249	5.5%	118	3.4%	832	6.3%
\$150,000-\$199,999	169	3.2%	128	2.8%	60	1.7%	357	2.7%
\$200,000+	162	3.1%	109	2.4%	20	0.6%	291	2.2%

Median HH Income	\$40,239	\$35,753	\$25,066	\$33,023
Average HH Income	\$58,674	\$52,020	\$36,543	\$50,612

2020 Households by Income and Age of Householder 55+

	55-64	Percent	65-74	Percent	75+	Percent	Total	Percent
Total	5,407	100%	4,981	100%	4,123	100%	14,511	100%
<\$15,000	990	18.3%	851	17.1%	793	19.2%	2,634	18.2%
\$15,000-\$24,999	472	8.7%	610	12.2%	1,036	25.1%	2,118	14.6%
\$25,000-\$34,999	480	8.9%	590	11.8%	689	16.7%	1,759	12.1%
\$35,000-\$49,999	738	13.6%	817	16.4%	585	14.2%	2,140	14.7%
\$50,000-\$74,999	1,081	20.0%	1,062	21.3%	497	12.1%	2,640	18.2%
\$75,000-\$99,999	634	11.7%	391	7.8%	212	5.1%	1,237	8.5%
\$100,000-\$149,999	580	10.7%	332	6.7%	184	4.5%	1,096	7.6%
\$150,000-\$199,999	241	4.5%	195	3.9%	99	2.4%	535	3.7%
\$200,000+	191	3.5%	133	2.7%	28	0.7%	352	2.4%

Median HH Income	\$50,349	\$41,791	\$27,648	\$39,145
Average HH Income	\$68,311	\$59,674	\$42,634	\$58,051

Data Note: Income is reported for July 1, 2015 and represents annual income for the preceding year, expressed in current (2014) dollars, including an adjustment for inflation. Income is reported for July 1, 2020 and represents annual income for the preceding year, expressed in current (2019) dollars, including an adjustment for inflation.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.

February 17, 2016



Age 50+ Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

2015 Population 50+ by Race

	Number	Percent	% Pop
Total	26,204	100.0%	34.8%
White Alone	25,101	95.8%	36.6%
Black Alone	400	1.5%	22.6%
American Indian Alone	98	0.4%	25.2%
Asian Alone	226	0.9%	23.2%
Pacific Islander Alone	10	0.0%	14.7%
Some Other Race Alone	195	0.7%	8.1%
Two or More Races	174	0.7%	14.6%
Hispanic Origin (Any Race)	447	1.7%	9.7%

Census 2010 Households and Age of Householder

	Number	Percent	% Total HHs
Total	11,903	100.0%	41.1%
Family Households	7,234	60.8%	25.0%
Householder Age 55-64	3,342	28.1%	11.6%
Householder Age 65-74	2,418	20.3%	8.4%
Householder Age 75-84	1,226	10.3%	4.2%
Householder Age 85+	248	2.1%	0.9%
Nonfamily Households	4,669	39.2%	16.1%
Householder Age 55-64	1,614	13.6%	5.6%
Householder Age 65-74	1,337	11.2%	4.6%
Householder Age 75-84	1,175	9.9%	4.1%
Householder Age 85+	543	4.6%	1.9%

Census 2010 Occupied Housing Units by Age of Householder

	Number	Percent	% Total HHs
Total	11,903	100.0%	41.1%
Owner Occupied Housing Units	9,404	79.0%	32.5%
Householder Age 55-64	3,848	32.3%	13.3%
Householder Age 65-74	3,087	25.9%	10.7%
Householder Age 75-84	1,908	16.0%	6.6%
Householder Age 85+	561	4.7%	1.9%
Renter Occupied Housing Units	2,499	21.0%	8.6%
Householder Age 55-64	1,108	9.3%	3.8%
Householder Age 65-74	668	5.6%	2.3%
Householder Age 75-84	493	4.1%	1.7%
Householder Age 85+	230	1.9%	0.8%

Data Note: A family is defined as a householder and one or more other people living in the same household who are related to the householder by birth, marriage, or adoption. Nonfamily households consist of people living alone and households that do not contain any members who are related to the householder. The base for "% Pop" is specific to the row. A Nonrelative is not related to the householder by birth, marriage, or adoption.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.

February 17, 2016



Age by Sex Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

Summary	Census 2010	2015	2020	2015-2020 Change	2015-2020 Annual Rate
Population	72,321	75,324	78,047	2,723	0.71%
Households	28,930	30,259	31,382	1,123	0.73%
Average Household Size	2.41	2.40	2.41	0.01	0.08%
Median Age	35.9	36.8	38.3	1.5	0.80%
Median Male Age	33.6	34.4	36.1	1.7	0.97%
Median Female Age	38.2	39.3	40.5	1.2	0.60%

Total Population by Age	Census 2010		2015		2020	
	Number	Percent	Number	Percent	Number	Percent
Total	72,321	100.0%	75,324	100.0%	78,047	100.0%
0 - 4	4,332	6.0%	4,313	5.7%	4,285	5.5%
5 - 9	4,338	6.0%	4,341	5.8%	4,350	5.6%
10 - 14	4,301	5.9%	4,249	5.6%	4,530	5.8%
15 - 19	5,976	8.3%	5,605	7.4%	5,872	7.5%
20 - 24	7,441	10.3%	7,447	9.9%	6,844	8.8%
25 - 29	4,827	6.7%	5,442	7.2%	4,914	6.3%
30 - 34	4,168	5.8%	4,769	6.3%	5,128	6.6%
35 - 39	4,180	5.8%	4,100	5.4%	4,705	6.0%
40 - 44	4,428	6.1%	4,368	5.8%	4,350	5.6%
45 - 49	4,718	6.5%	4,486	6.0%	4,483	5.7%
50 - 54	4,630	6.4%	4,795	6.4%	4,630	5.9%
55 - 59	4,304	6.0%	4,673	6.2%	4,816	6.2%
60 - 64	4,113	5.7%	4,405	5.8%	4,771	6.1%
65 - 69	3,394	4.7%	4,054	5.4%	4,340	5.6%
70 - 74	2,525	3.5%	3,195	4.2%	3,853	4.9%
75 - 79	1,999	2.8%	2,209	2.9%	2,898	3.7%
80 - 84	1,443	2.0%	1,462	1.9%	1,705	2.2%
85+	1,204	1.7%	1,411	1.9%	1,573	2.0%
18+	56,754	78.5%	60,018	79.7%	62,310	79.8%
21+	51,504	71.2%	54,951	73.0%	57,264	73.4%

Data Note: Detail may not sum to totals due to rounding.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.

February 17, 2016



Age by Sex Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

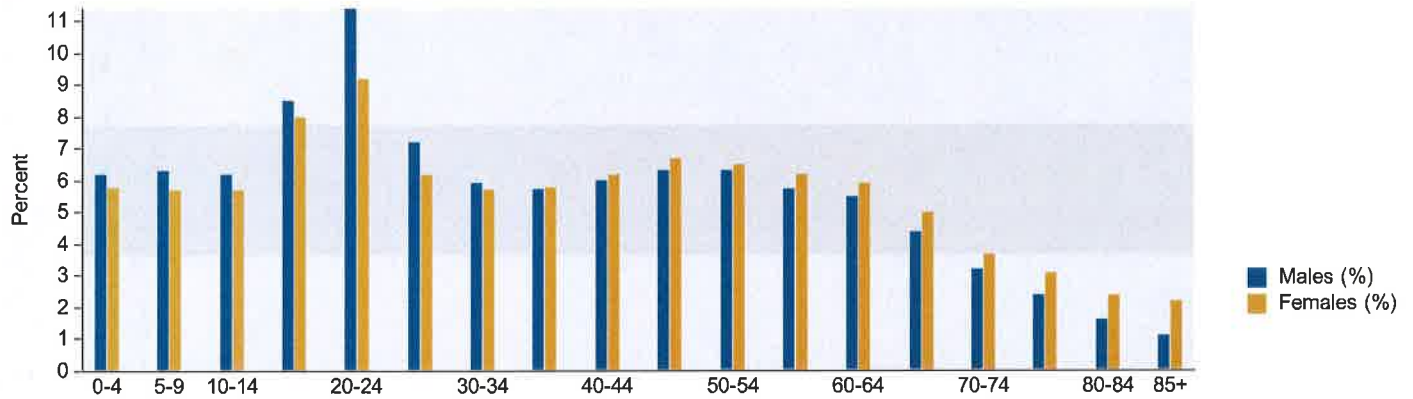
Male Population by Age	Census 2010		2015		2020	
	Number	Percent	Number	Percent	Number	Percent
Total	35,818	100.0%	37,431	100.0%	38,857	100.0%
0 - 4	2,226	6.2%	2,218	5.9%	2,207	5.7%
5 - 9	2,250	6.3%	2,223	5.9%	2,232	5.7%
10 - 14	2,237	6.2%	2,211	5.9%	2,339	6.0%
15 - 19	3,039	8.5%	2,918	7.8%	3,057	7.9%
20 - 24	4,075	11.4%	4,064	10.9%	3,792	9.8%
25 - 29	2,576	7.2%	2,923	7.8%	2,629	6.8%
30 - 34	2,102	5.9%	2,440	6.5%	2,655	6.8%
35 - 39	2,057	5.7%	2,030	5.4%	2,359	6.1%
40 - 44	2,165	6.0%	2,153	5.8%	2,169	5.6%
45 - 49	2,257	6.3%	2,190	5.9%	2,218	5.7%
50 - 54	2,253	6.3%	2,291	6.1%	2,260	5.8%
55 - 59	2,057	5.7%	2,250	6.0%	2,274	5.9%
60 - 64	1,968	5.5%	2,116	5.7%	2,297	5.9%
65 - 69	1,583	4.4%	1,910	5.1%	2,048	5.3%
70 - 74	1,160	3.2%	1,440	3.8%	1,758	4.5%
75 - 79	850	2.4%	987	2.6%	1,278	3.3%
80 - 84	579	1.6%	599	1.6%	740	1.9%
85+	384	1.1%	468	1.3%	545	1.4%
18+	27,826	77.7%	29,525	78.9%	30,748	79.1%

Female Population by Age	Census 2010		2015		2020	
	Number	Percent	Number	Percent	Number	Percent
Total	36,503	100.0%	37,893	100.0%	39,190	100.0%
0 - 4	2,106	5.8%	2,095	5.5%	2,078	5.3%
5 - 9	2,088	5.7%	2,118	5.6%	2,118	5.4%
10 - 14	2,064	5.7%	2,038	5.4%	2,191	5.6%
15 - 19	2,937	8.0%	2,687	7.1%	2,815	7.2%
20 - 24	3,366	9.2%	3,383	8.9%	3,052	7.8%
25 - 29	2,251	6.2%	2,519	6.6%	2,285	5.8%
30 - 34	2,066	5.7%	2,329	6.1%	2,473	6.3%
35 - 39	2,123	5.8%	2,070	5.5%	2,346	6.0%
40 - 44	2,263	6.2%	2,215	5.8%	2,181	5.6%
45 - 49	2,461	6.7%	2,296	6.1%	2,265	5.8%
50 - 54	2,377	6.5%	2,504	6.6%	2,370	6.0%
55 - 59	2,247	6.2%	2,423	6.4%	2,542	6.5%
60 - 64	2,145	5.9%	2,289	6.0%	2,474	6.3%
65 - 69	1,811	5.0%	2,144	5.7%	2,292	5.8%
70 - 74	1,365	3.7%	1,755	4.6%	2,095	5.3%
75 - 79	1,149	3.1%	1,222	3.2%	1,620	4.1%
80 - 84	864	2.4%	863	2.3%	965	2.5%
85+	820	2.2%	943	2.5%	1,028	2.6%
18+	28,928	79.2%	30,493	80.5%	31,562	80.5%

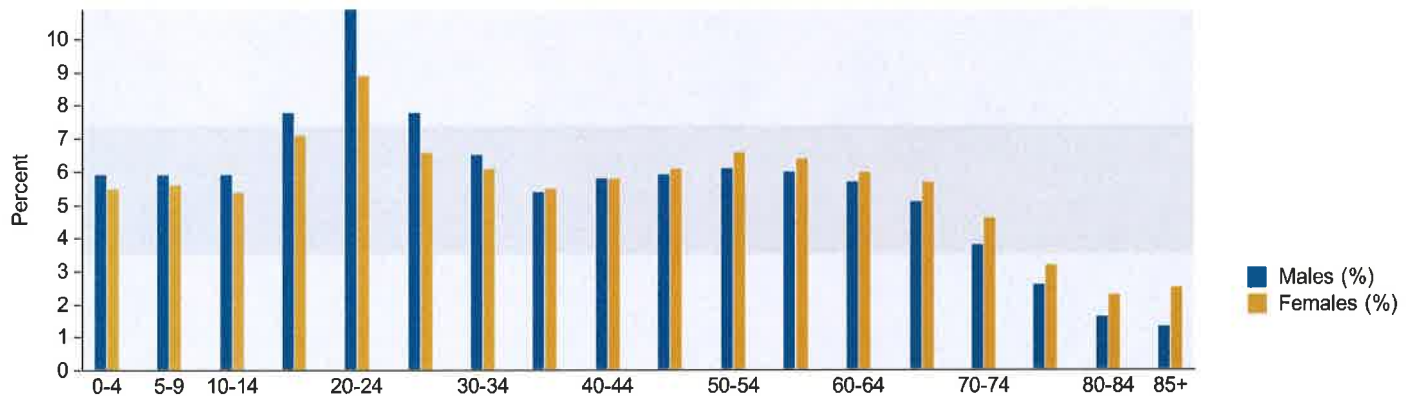
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.

February 17, 2016

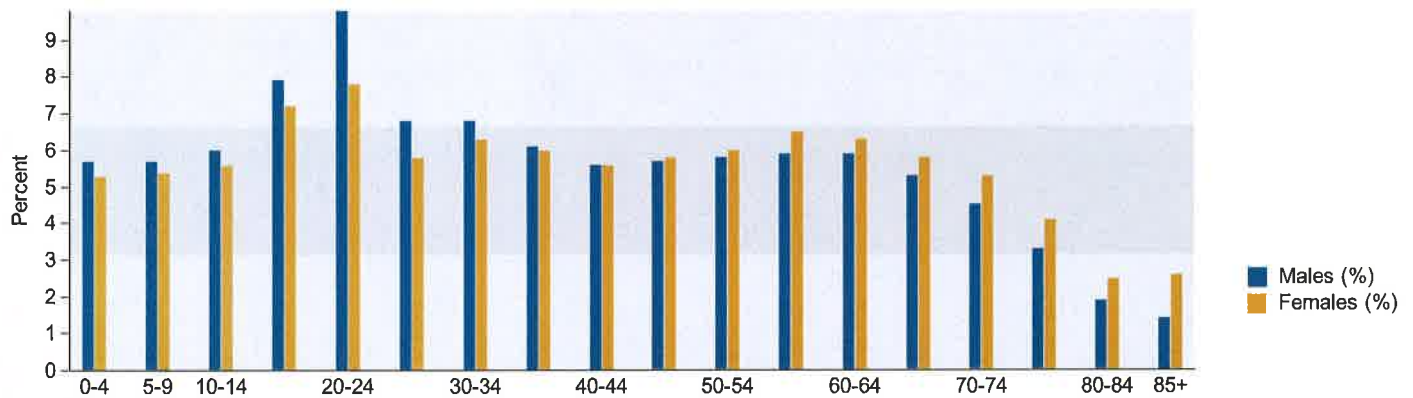
Census 2010 Population by Age and Sex



2015 Population by Age and Sex



2020 Population by Age and Sex



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.



Demographic and Income Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

Summary	Census 2010	2015	2020
Population	72,321	75,324	78,047
Households	28,930	30,259	31,382
Families	18,489	19,160	19,763
Average Household Size	2.41	2.40	2.41
Owner Occupied Housing Units	17,935	17,629	18,233
Renter Occupied Housing Units	10,995	12,630	13,149
Median Age	35.9	36.8	38.3

Trends: 2015 - 2020 Annual Rate	Area	State	National
Population	0.71%	0.82%	0.75%
Households	0.73%	0.83%	0.77%
Families	0.62%	0.74%	0.69%
Owner HHs	0.68%	0.81%	0.70%
Median Household Income	3.18%	3.12%	2.66%

Households by Income	2015		2020	
	Number	Percent	Number	Percent
<\$15,000	6,183	20.4%	6,018	19.2%
\$15,000 - \$24,999	4,736	15.7%	3,880	12.4%
\$25,000 - \$34,999	3,747	12.4%	3,183	10.1%
\$35,000 - \$49,999	4,409	14.6%	4,618	14.7%
\$50,000 - \$74,999	5,053	16.7%	5,937	18.9%
\$75,000 - \$99,999	2,459	8.1%	3,166	10.1%
\$100,000 - \$149,999	2,251	7.4%	2,728	8.7%
\$150,000 - \$199,999	778	2.6%	1,112	3.5%
\$200,000+	643	2.1%	740	2.4%
Median Household Income	\$36,152		\$42,270	
Average Household Income	\$52,270		\$59,713	
Per Capita Income	\$21,210		\$24,219	

Population by Age	Census 2010		2015		2020	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	4,332	6.0%	4,313	5.7%	4,285	5.5%
5 - 9	4,338	6.0%	4,341	5.8%	4,350	5.6%
10 - 14	4,301	5.9%	4,249	5.6%	4,530	5.8%
15 - 19	5,976	8.3%	5,605	7.4%	5,872	7.5%
20 - 24	7,441	10.3%	7,447	9.9%	6,844	8.8%
25 - 34	8,995	12.4%	10,211	13.6%	10,042	12.9%
35 - 44	8,608	11.9%	8,468	11.2%	9,055	11.6%
45 - 54	9,348	12.9%	9,281	12.3%	9,113	11.7%
55 - 64	8,417	11.6%	9,078	12.1%	9,587	12.3%
65 - 74	5,919	8.2%	7,249	9.6%	8,193	10.5%
75 - 84	3,442	4.8%	3,671	4.9%	4,603	5.9%
85+	1,204	1.7%	1,411	1.9%	1,573	2.0%

Race and Ethnicity	Census 2010		2015		2020	
	Number	Percent	Number	Percent	Number	Percent
White Alone	66,536	92.0%	68,520	91.0%	70,058	89.8%
Black Alone	1,455	2.0%	1,770	2.3%	2,090	2.7%
American Indian Alone	317	0.4%	389	0.5%	478	0.6%
Asian Alone	846	1.2%	974	1.3%	1,109	1.4%
Pacific Islander Alone	46	0.1%	68	0.1%	87	0.1%
Some Other Race Alone	2,006	2.8%	2,411	3.2%	2,925	3.7%
Two or More Races	1,115	1.5%	1,192	1.6%	1,300	1.7%
Hispanic Origin (Any Race)	3,858	5.3%	4,622	6.1%	5,566	7.1%

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.

February 17, 2016

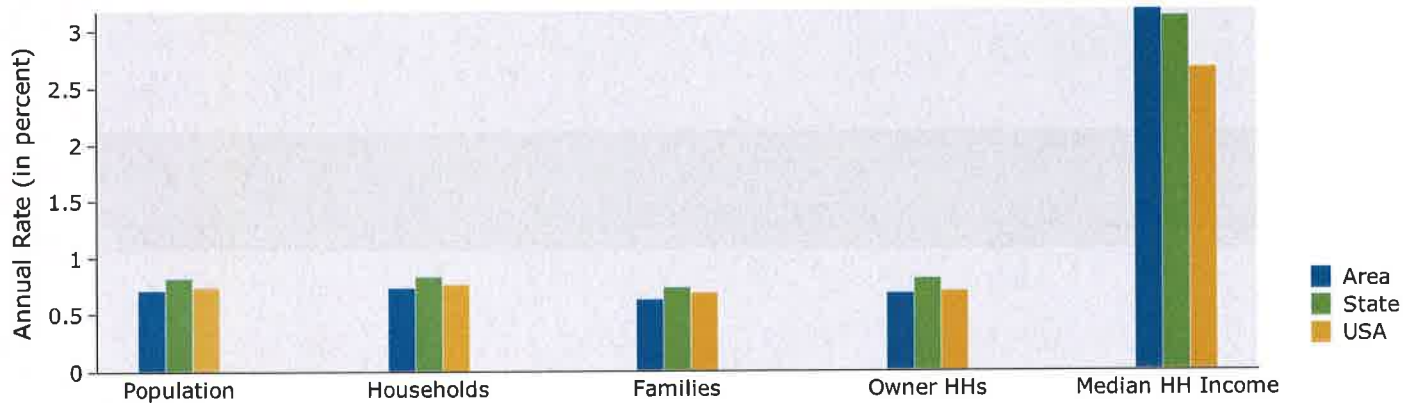


Demographic and Income Profile

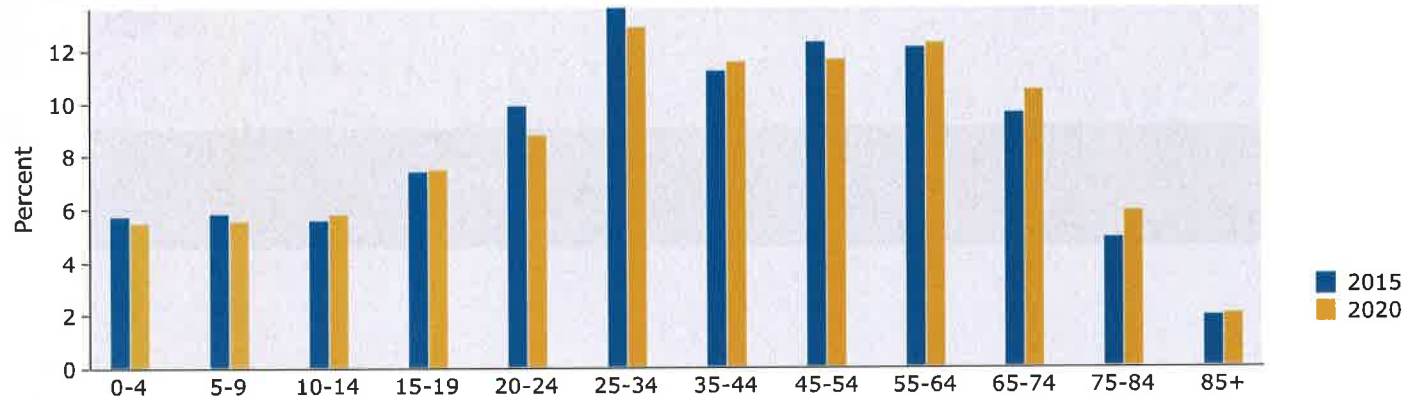
Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

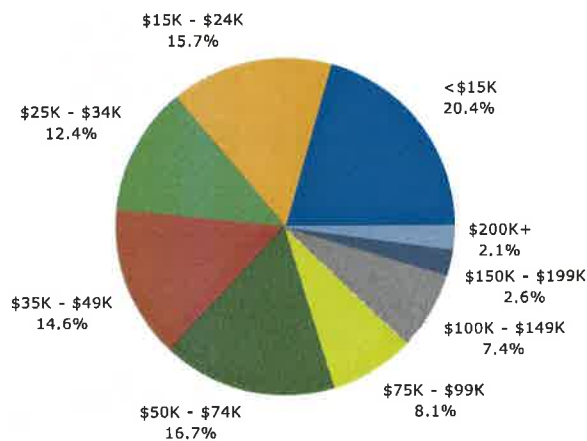
Trends 2015-2020



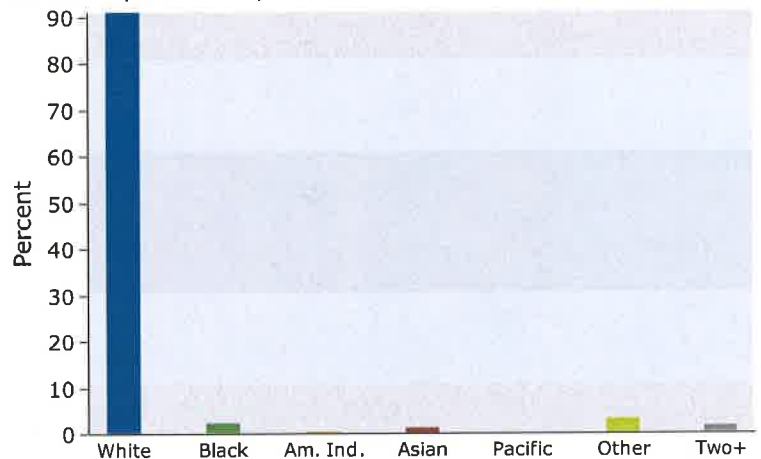
Population by Age



2015 Household Income



2015 Population by Race



2015 Percent Hispanic Origin: 6.1%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.

February 17, 2016



Detailed Age Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esr

Summary	Census 2010	2015	2020	2015-2020 Change	2015-2020 Annual Rate
Population	72,321	75,324	78,047	2,723	0.71%
Households	28,930	30,259	31,382	1,123	0.73%
Average Household Size	2.41	2.40	2.41	0.01	0.08%

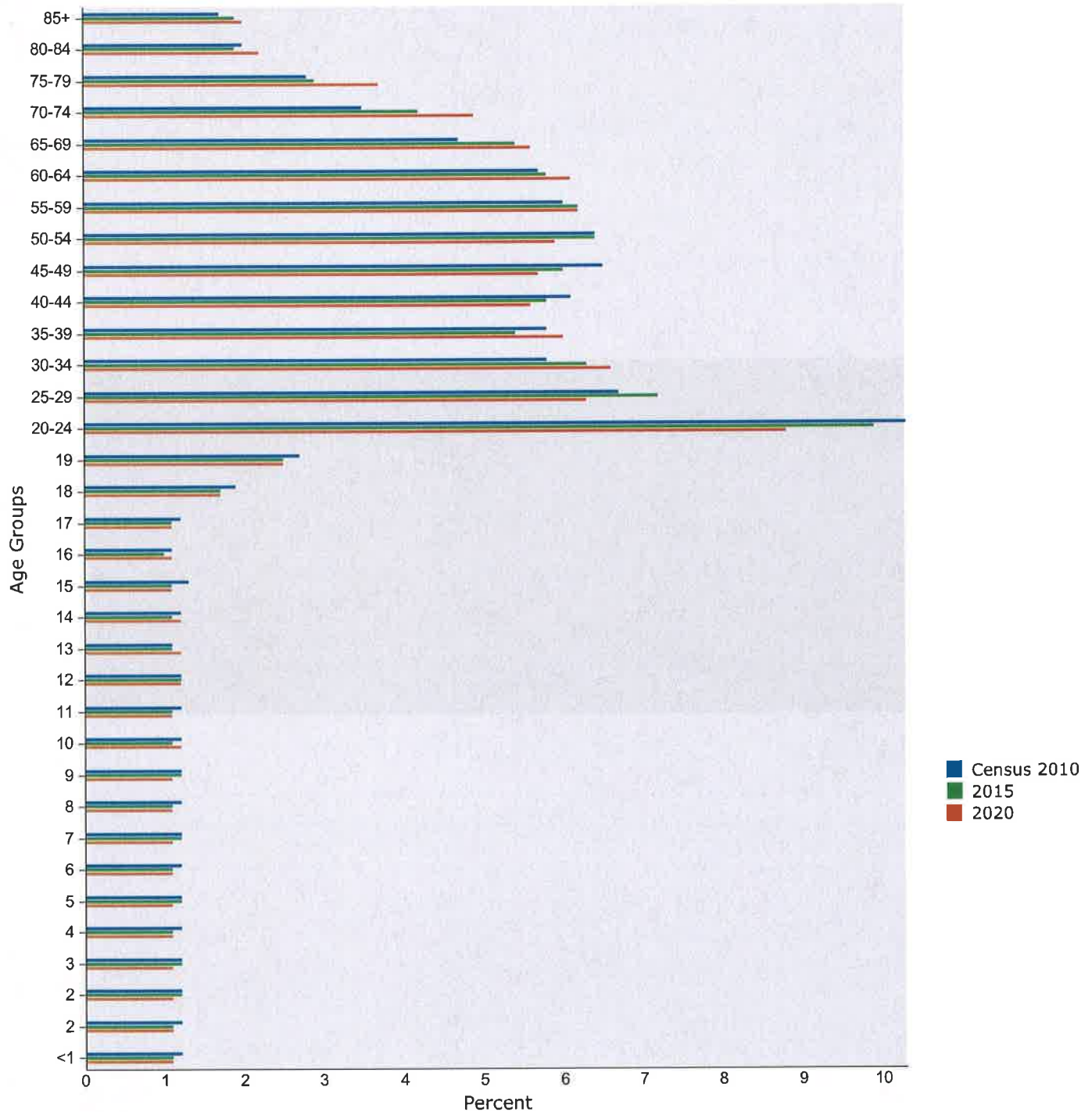
Total Population by Detailed Age	Census 2010		2015		2020	
	Number	Percent	Number	Percent	Number	Percent
Total	72,321	100.0%	75,324	100.0%	78,047	100.0%
<1	850	1.2%	846	1.1%	842	1.1%
1	848	1.2%	863	1.1%	861	1.1%
2	862	1.2%	880	1.2%	873	1.1%
3	873	1.2%	870	1.2%	855	1.1%
4	899	1.2%	854	1.1%	854	1.1%
5	876	1.2%	890	1.2%	888	1.1%
6	868	1.2%	846	1.1%	842	1.1%
7	849	1.2%	873	1.2%	877	1.1%
8	900	1.2%	857	1.1%	856	1.1%
9	845	1.2%	875	1.2%	887	1.1%
10	873	1.2%	854	1.1%	909	1.2%
11	847	1.2%	826	1.1%	869	1.1%
12	869	1.2%	878	1.2%	949	1.2%
13	829	1.1%	847	1.1%	900	1.2%
14	883	1.2%	844	1.1%	903	1.2%
15	925	1.3%	826	1.1%	888	1.1%
16	797	1.1%	766	1.0%	824	1.1%
17	874	1.2%	811	1.1%	860	1.1%
18	1,398	1.9%	1,314	1.7%	1,362	1.7%
19	1,982	2.7%	1,888	2.5%	1,938	2.5%
20 - 24	7,441	10.3%	7,447	9.9%	6,844	8.8%
25 - 29	4,827	6.7%	5,442	7.2%	4,914	6.3%
30 - 34	4,168	5.8%	4,769	6.3%	5,128	6.6%
35 - 39	4,180	5.8%	4,100	5.4%	4,705	6.0%
40 - 44	4,428	6.1%	4,368	5.8%	4,350	5.6%
45 - 49	4,718	6.5%	4,486	6.0%	4,483	5.7%
50 - 54	4,630	6.4%	4,795	6.4%	4,630	5.9%
55 - 59	4,304	6.0%	4,673	6.2%	4,816	6.2%
60 - 64	4,113	5.7%	4,405	5.8%	4,771	6.1%
65 - 69	3,394	4.7%	4,054	5.4%	4,340	5.6%
70 - 74	2,525	3.5%	3,195	4.2%	3,853	4.9%
75 - 79	1,999	2.8%	2,209	2.9%	2,898	3.7%
80 - 84	1,443	2.0%	1,462	1.9%	1,705	2.2%
85+	1,204	1.7%	1,411	1.9%	1,573	2.0%
<18	15,567	21.5%	15,306	20.3%	15,737	20.2%
18+	56,754	78.5%	60,018	79.7%	62,310	79.8%
21+	51,504	71.2%	54,951	73.0%	57,264	73.4%
Median Age	35.9		36.8		38.3	

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.

February 17, 2016



Total Population by Detailed Age





Detailed Age Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esr

Male Population by Detailed Age	Census 2010		2015		2020	
	Number	Percent	Number	Percent	Number	Percent
Total	35,818	100.0%	37,431	100.0%	38,857	100.0%
<1	443	1.2%	430	1.1%	427	1.1%
1	424	1.2%	434	1.2%	433	1.1%
2	446	1.2%	471	1.3%	471	1.2%
3	467	1.3%	457	1.2%	450	1.2%
4	446	1.2%	426	1.1%	426	1.1%
5	435	1.2%	450	1.2%	448	1.2%
6	463	1.3%	417	1.1%	418	1.1%
7	447	1.2%	452	1.2%	455	1.2%
8	462	1.3%	445	1.2%	444	1.1%
9	443	1.2%	459	1.2%	467	1.2%
10	460	1.3%	432	1.2%	453	1.2%
11	437	1.2%	426	1.1%	443	1.1%
12	448	1.3%	454	1.2%	493	1.3%
13	421	1.2%	451	1.2%	474	1.2%
14	471	1.3%	448	1.2%	476	1.2%
15	464	1.3%	448	1.2%	480	1.2%
16	387	1.1%	390	1.0%	413	1.1%
17	428	1.2%	416	1.1%	438	1.1%
18	704	2.0%	668	1.8%	701	1.8%
19	1,056	2.9%	996	2.7%	1,025	2.6%
20 - 24	4,075	11.4%	4,064	10.9%	3,792	9.8%
25 - 29	2,576	7.2%	2,923	7.8%	2,629	6.8%
30 - 34	2,102	5.9%	2,440	6.5%	2,655	6.8%
35 - 39	2,057	5.7%	2,030	5.4%	2,359	6.1%
40 - 44	2,165	6.0%	2,153	5.8%	2,169	5.6%
45 - 49	2,257	6.3%	2,190	5.9%	2,218	5.7%
50 - 54	2,253	6.3%	2,291	6.1%	2,260	5.8%
55 - 59	2,057	5.7%	2,250	6.0%	2,274	5.9%
60 - 64	1,968	5.5%	2,116	5.7%	2,297	5.9%
65 - 69	1,583	4.4%	1,910	5.1%	2,048	5.3%
70 - 74	1,160	3.2%	1,440	3.8%	1,758	4.5%
75 - 79	850	2.4%	987	2.6%	1,278	3.3%
80 - 84	579	1.6%	599	1.6%	740	1.9%
85+	384	1.1%	468	1.3%	545	1.4%
<18	7,992	22.3%	7,906	21.1%	8,109	20.9%
18+	27,826	77.7%	29,525	78.9%	30,748	79.1%
21+	25,065	70.0%	26,866	71.8%	28,084	72.3%
Median Age	33.6		34.4		36.1	

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.

February 17, 2016

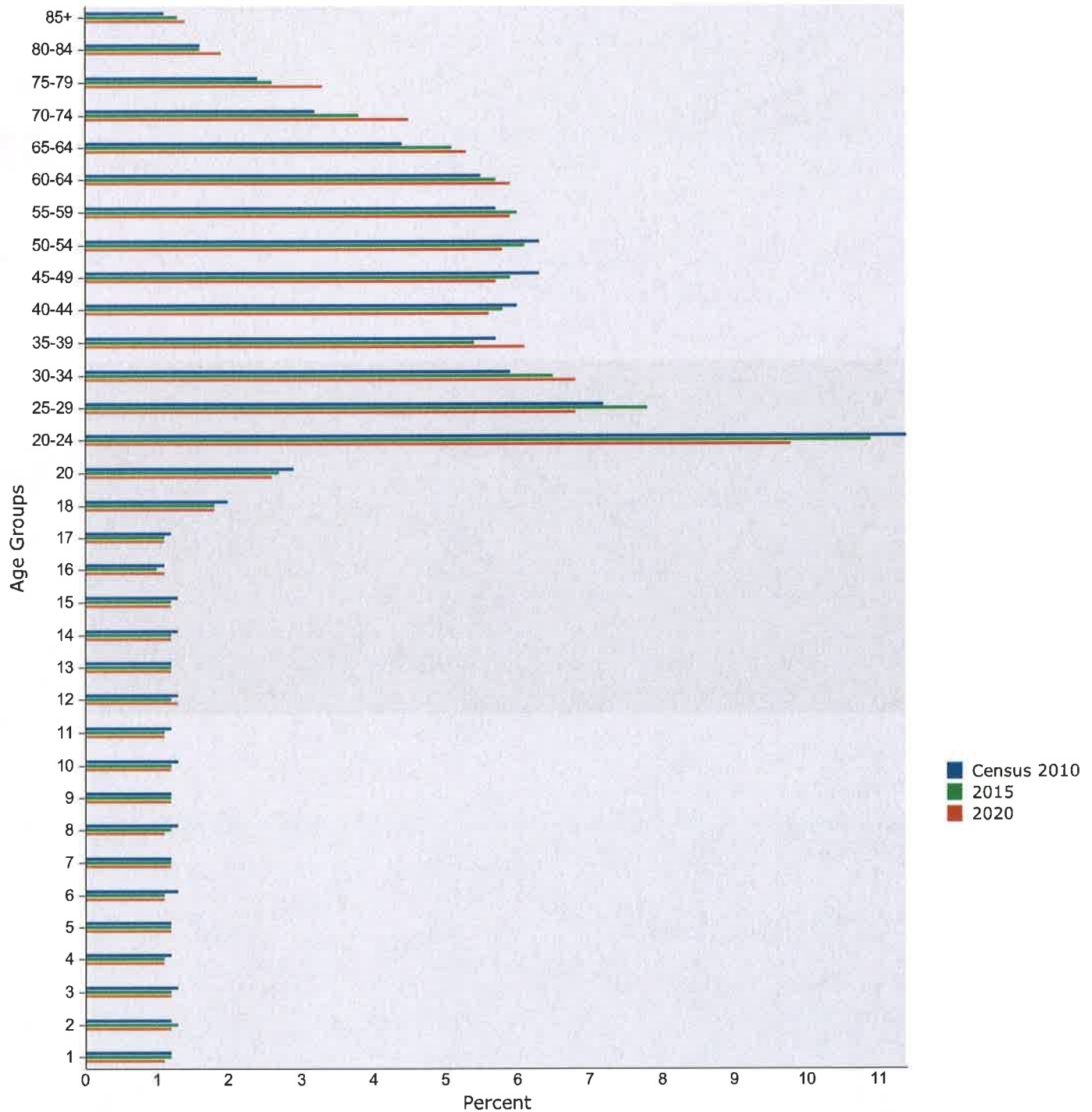


Detailed Age Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

Male Population by Detailed Age



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.

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Detailed Age Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

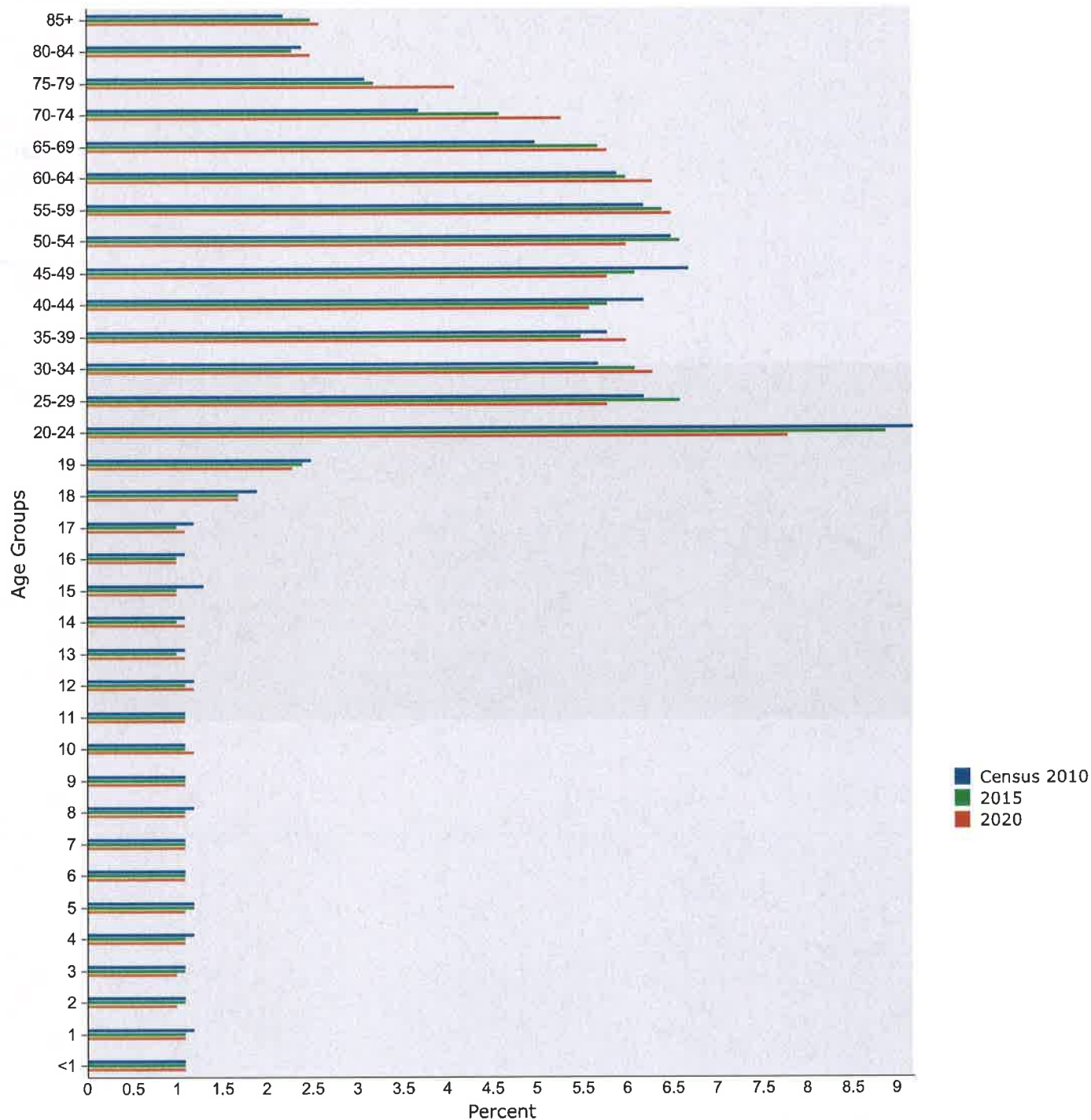
Prepared by Esr

Female Population by Detailed Age	Census 2010		2015		2020	
	Number	Percent	Number	Percent	Number	Percent
Total	36,503	100.0%	37,893	100.0%	39,190	100.0%
<1	407	1.1%	416	1.1%	415	1.1%
1	424	1.2%	429	1.1%	428	1.1%
2	416	1.1%	409	1.1%	402	1.0%
3	406	1.1%	413	1.1%	405	1.0%
4	453	1.2%	428	1.1%	428	1.1%
5	441	1.2%	440	1.2%	440	1.1%
6	405	1.1%	429	1.1%	424	1.1%
7	402	1.1%	421	1.1%	422	1.1%
8	438	1.2%	412	1.1%	412	1.1%
9	402	1.1%	416	1.1%	420	1.1%
10	413	1.1%	422	1.1%	456	1.2%
11	410	1.1%	400	1.1%	426	1.1%
12	421	1.2%	424	1.1%	456	1.2%
13	408	1.1%	396	1.0%	426	1.1%
14	412	1.1%	396	1.0%	427	1.1%
15	461	1.3%	378	1.0%	408	1.0%
16	410	1.1%	376	1.0%	411	1.0%
17	446	1.2%	395	1.0%	422	1.1%
18	694	1.9%	646	1.7%	661	1.7%
19	926	2.5%	892	2.4%	913	2.3%
20 - 24	3,366	9.2%	3,383	8.9%	3,052	7.8%
25 - 29	2,251	6.2%	2,519	6.6%	2,285	5.8%
30 - 34	2,066	5.7%	2,329	6.1%	2,473	6.3%
35 - 39	2,123	5.8%	2,070	5.5%	2,346	6.0%
40 - 44	2,263	6.2%	2,215	5.8%	2,181	5.6%
45 - 49	2,461	6.7%	2,296	6.1%	2,265	5.8%
50 - 54	2,377	6.5%	2,504	6.6%	2,370	6.0%
55 - 59	2,247	6.2%	2,423	6.4%	2,542	6.5%
60 - 64	2,145	5.9%	2,289	6.0%	2,474	6.3%
65 - 69	1,811	5.0%	2,144	5.7%	2,292	5.8%
70 - 74	1,365	3.7%	1,755	4.6%	2,095	5.3%
75 - 79	1,149	3.1%	1,222	3.2%	1,620	4.1%
80 - 84	864	2.4%	863	2.3%	965	2.5%
85+	820	2.2%	943	2.5%	1,028	2.6%
<18	7,575	20.8%	7,400	19.5%	7,628	19.5%
18+	28,928	79.2%	30,493	80.5%	31,562	80.5%
21+	26,439	72.4%	28,085	74.1%	29,180	74.5%
Median Age	38.2		39.3		40.5	

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.

February 17, 2016

Female Population by Detailed Age



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020.

February 17, 2016



Household Income Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

Summary	2015	2020	2015-2020 Change	2015-2020 Annual Rate
Population	75,324	78,047	2,723	0.71%
Households	30,259	31,382	1,123	0.73%
Median Age	36.8	38.3	1.5	0.80%
Average Household Size	2.40	2.41	0.01	0.08%

Households by Income	2015		2020	
	Number	Percent	Number	Percent
Household	30,259	100%	31,382	100%
<\$15,000	6,183	20.4%	6,018	19.2%
\$15,000-\$24,999	4,736	15.7%	3,880	12.4%
\$25,000-\$34,999	3,747	12.4%	3,183	10.1%
\$35,000-\$49,999	4,409	14.6%	4,618	14.7%
\$50,000-\$74,999	5,053	16.7%	5,937	18.9%
\$75,000-\$99,999	2,459	8.1%	3,166	10.1%
\$100,000-\$149,999	2,251	7.4%	2,728	8.7%
\$150,000-\$199,999	778	2.6%	1,112	3.5%
\$200,000+	643	2.1%	740	2.4%
Median Household Income	\$36,152		\$42,270	
Average Household Income	\$52,270		\$59,713	
Per Capita Income	\$21,210		\$24,219	

Data Note: Income reported for July 1, 2020 represents annual income for the preceding year, expressed in current (2019) dollars, including an adjustment for inflation.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2015 and 2020.

February 17, 2016



Household Income Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

2015 Households by Income and Age of Householder							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	2,800	4,803	4,407	5,084	5,226	4,494	3,445
<\$15,000	1,084	1,123	616	839	1,056	801	664
\$15,000-\$24,999	643	669	443	551	649	729	1,052
\$25,000-\$34,999	312	551	441	514	601	666	662
\$35,000-\$49,999	431	714	648	742	722	720	432
\$50,000-\$74,999	207	848	943	1,003	919	819	314
\$75,000-\$99,999	61	416	539	564	483	273	123
\$100,000-\$149,999	39	335	535	510	465	249	118
\$150,000-\$199,999	19	80	114	208	169	128	60
\$200,000+	4	67	128	153	162	109	20
Median HH Income	\$18,718	\$35,887	\$50,942	\$47,273	\$40,239	\$35,753	\$25,066
Average HH Income	\$27,340	\$48,535	\$64,483	\$63,238	\$58,674	\$52,020	\$36,543
Percent Distribution							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	100%	100%	100%	100%	100%	100%	100%
<\$15,000	38.7%	23.4%	14.0%	16.5%	20.2%	17.8%	19.3%
\$15,000-\$24,999	23.0%	13.9%	10.1%	10.8%	12.4%	16.2%	30.5%
\$25,000-\$34,999	11.1%	11.5%	10.0%	10.1%	11.5%	14.8%	19.2%
\$35,000-\$49,999	15.4%	14.9%	14.7%	14.6%	13.8%	16.0%	12.5%
\$50,000-\$74,999	7.4%	17.7%	21.4%	19.7%	17.6%	18.2%	9.1%
\$75,000-\$99,999	2.2%	8.7%	12.2%	11.1%	9.2%	6.1%	3.6%
\$100,000-\$149,999	1.4%	7.0%	12.1%	10.0%	8.9%	5.5%	3.4%
\$150,000-\$199,999	0.7%	1.7%	2.6%	4.1%	3.2%	2.8%	1.7%
\$200,000+	0.1%	1.4%	2.9%	3.0%	3.1%	2.4%	0.6%

Data Note: Income reported for July 1, 2020 represents annual income for the preceding year, expressed in current (2019) dollars, including an adjustment for inflation.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2015 and 2020.



Household Income Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

2020 Households by Income and Age of Householder							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	2,681	4,675	4,625	4,890	5,407	4,981	4,123
<\$15,000	1,039	1,044	585	716	990	851	793
\$15,000-\$24,999	529	520	338	375	472	610	1,036
\$25,000-\$34,999	261	436	352	375	480	590	689
\$35,000-\$49,999	449	688	652	689	738	817	585
\$50,000-\$74,999	246	938	1,069	1,044	1,081	1,062	497
\$75,000-\$99,999	78	498	686	667	634	391	212
\$100,000-\$149,999	49	368	635	580	580	332	184
\$150,000-\$199,999	26	109	162	280	241	195	99
\$200,000+	4	74	146	164	191	133	28
Median HH Income	\$19,581	\$41,146	\$56,595	\$54,957	\$50,349	\$41,791	\$27,648
Average HH Income	\$30,479	\$54,856	\$72,706	\$73,030	\$68,311	\$59,674	\$42,634
Percent Distribution							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	100%	100%	100%	100%	100%	100%	100%
<\$15,000	38.8%	22.3%	12.6%	14.6%	18.3%	17.1%	19.2%
\$15,000-\$24,999	19.7%	11.1%	7.3%	7.7%	8.7%	12.2%	25.1%
\$25,000-\$34,999	9.7%	9.3%	7.6%	7.7%	8.9%	11.8%	16.7%
\$35,000-\$49,999	16.7%	14.7%	14.1%	14.1%	13.6%	16.4%	14.2%
\$50,000-\$74,999	9.2%	20.1%	23.1%	21.3%	20.0%	21.3%	12.1%
\$75,000-\$99,999	2.9%	10.7%	14.8%	13.6%	11.7%	7.8%	5.1%
\$100,000-\$149,999	1.8%	7.9%	13.7%	11.9%	10.7%	6.7%	4.5%
\$150,000-\$199,999	1.0%	2.3%	3.5%	5.7%	4.5%	3.9%	2.4%
\$200,000+	0.1%	1.6%	3.2%	3.4%	3.5%	2.7%	0.7%

Data Note: Income reported for July 1, 2020 represents annual income for the preceding year, expressed in current (2019) dollars, including an adjustment for inflation.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2015 and 2020.



Community Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

		Putnam County, T...
Population Summary		
2000 Total Population		62,315
2010 Total Population		72,321
2015 Total Population		75,324
2015 Group Quarters		2,563
2020 Total Population		78,047
2015-2020 Annual Rate		0.71%
Household Summary		
2000 Households		24,865
2000 Average Household Size		2.40
2010 Households		28,930
2010 Average Household Size		2.41
2015 Households		30,259
2015 Average Household Size		2.40
2020 Households		31,382
2020 Average Household Size		2.41
2015-2020 Annual Rate		0.73%
2010 Families		18,489
2010 Average Family Size		2.94
2015 Families		19,160
2015 Average Family Size		2.94
2020 Families		19,763
2020 Average Family Size		2.95
2015-2020 Annual Rate		0.62%
Housing Unit Summary		
2000 Housing Units		26,916
Owner Occupied Housing Units		60.6%
Renter Occupied Housing Units		31.8%
Vacant Housing Units		7.6%
2010 Housing Units		31,882
Owner Occupied Housing Units		56.3%
Renter Occupied Housing Units		34.5%
Vacant Housing Units		9.3%
2015 Housing Units		33,572
Owner Occupied Housing Units		52.5%
Renter Occupied Housing Units		37.6%
Vacant Housing Units		9.9%
2020 Housing Units		34,932
Owner Occupied Housing Units		52.2%
Renter Occupied Housing Units		37.6%
Vacant Housing Units		10.2%
Median Household Income		
2015		\$36,152
2020		\$42,270
Median Home Value		
2015		\$148,082
2020		\$171,305
Per Capita Income		
2015		\$21,210
2020		\$24,219
Median Age		
2010		35.9
2015		36.8
2020		38.3

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

February 17, 2016



Community Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

Putnam County, T...

2015 Households by Income

Household Income Base	30,259
<\$15,000	20.4%
\$15,000 - \$24,999	15.7%
\$25,000 - \$34,999	12.4%
\$35,000 - \$49,999	14.6%
\$50,000 - \$74,999	16.7%
\$75,000 - \$99,999	8.1%
\$100,000 - \$149,999	7.4%
\$150,000 - \$199,999	2.6%
\$200,000+	2.1%
Average Household Income	\$52,270

2020 Households by Income

Household Income Base	31,382
<\$15,000	19.2%
\$15,000 - \$24,999	12.4%
\$25,000 - \$34,999	10.1%
\$35,000 - \$49,999	14.7%
\$50,000 - \$74,999	18.9%
\$75,000 - \$99,999	10.1%
\$100,000 - \$149,999	8.7%
\$150,000 - \$199,999	3.5%
\$200,000+	2.4%
Average Household Income	\$59,713

2015 Owner Occupied Housing Units by Value

Total	17,629
<\$50,000	6.0%
\$50,000 - \$99,999	19.3%
\$100,000 - \$149,999	25.7%
\$150,000 - \$199,999	19.4%
\$200,000 - \$249,999	11.3%
\$250,000 - \$299,999	6.5%
\$300,000 - \$399,999	6.7%
\$400,000 - \$499,999	2.5%
\$500,000 - \$749,999	1.6%
\$750,000 - \$999,999	0.4%
\$1,000,000 +	0.6%
Average Home Value	\$180,848

2020 Owner Occupied Housing Units by Value

Total	18,233
<\$50,000	3.5%
\$50,000 - \$99,999	13.1%
\$100,000 - \$149,999	23.7%
\$150,000 - \$199,999	22.7%
\$200,000 - \$249,999	15.5%
\$250,000 - \$299,999	8.4%
\$300,000 - \$399,999	7.3%
\$400,000 - \$499,999	2.5%
\$500,000 - \$749,999	2.1%
\$750,000 - \$999,999	0.7%
\$1,000,000 +	0.6%
Average Home Value	\$200,802

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

February 17, 2016



Community Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

Putnam County, T...

2010 Population by Age

Total	72,321
0 - 4	6.0%
5 - 9	6.0%
10 - 14	5.9%
15 - 24	18.6%
25 - 34	12.4%
35 - 44	11.9%
45 - 54	12.9%
55 - 64	11.6%
65 - 74	8.2%
75 - 84	4.8%
85 +	1.7%
18 +	78.5%

2015 Population by Age

Total	75,324
0 - 4	5.7%
5 - 9	5.8%
10 - 14	5.6%
15 - 24	17.3%
25 - 34	13.6%
35 - 44	11.2%
45 - 54	12.3%
55 - 64	12.1%
65 - 74	9.6%
75 - 84	4.9%
85 +	1.9%
18 +	79.7%

2020 Population by Age

Total	78,047
0 - 4	5.5%
5 - 9	5.6%
10 - 14	5.8%
15 - 24	16.3%
25 - 34	12.9%
35 - 44	11.6%
45 - 54	11.7%
55 - 64	12.3%
65 - 74	10.5%
75 - 84	5.9%
85 +	2.0%
18 +	79.8%

2010 Population by Sex

Males	35,818
Females	36,503

2015 Population by Sex

Males	37,431
Females	37,893

2020 Population by Sex

Males	38,857
Females	39,190

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

February 17, 2016



Community Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

Putnam County, T...

2010 Population by Race/Ethnicity

Total	72,321
White Alone	92.0%
Black Alone	2.0%
American Indian Alone	0.4%
Asian Alone	1.2%
Pacific Islander Alone	0.1%
Some Other Race Alone	2.8%
Two or More Races	1.5%
Hispanic Origin	5.3%
Diversity Index	23.9

2015 Population by Race/Ethnicity

Total	75,324
White Alone	91.0%
Black Alone	2.3%
American Indian Alone	0.5%
Asian Alone	1.3%
Pacific Islander Alone	0.1%
Some Other Race Alone	3.2%
Two or More Races	1.6%
Hispanic Origin	6.1%
Diversity Index	26.7

2020 Population by Race/Ethnicity

Total	78,047
White Alone	89.8%
Black Alone	2.7%
American Indian Alone	0.6%
Asian Alone	1.4%
Pacific Islander Alone	0.1%
Some Other Race Alone	3.7%
Two or More Races	1.7%
Hispanic Origin	7.1%
Diversity Index	30.0

2010 Population by Relationship and Household Type

Total	72,321
In Households	96.2%
In Family Households	77.4%
Householder	25.6%
Spouse	19.3%
Child	27.3%
Other relative	3.0%
Nonrelative	2.1%
In Nonfamily Households	18.9%
In Group Quarters	3.8%
Institutionalized Population	1.0%
Noninstitutionalized Population	2.8%

Data Note: Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

February 17, 2016



Community Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

Putnam County, T...

2015 Population 25+ by Educational Attainment

Total	49,369
Less than 9th Grade	6.6%
9th - 12th Grade, No Diploma	8.5%
High School Graduate	28.4%
GED/Alternative Credential	9.0%
Some College, No Degree	18.6%
Associate Degree	4.5%
Bachelor's Degree	15.1%
Graduate/Professional Degree	9.2%

2015 Population 15+ by Marital Status

Total	62,421
Never Married	30.9%
Married	49.5%
Widowed	6.5%
Divorced	13.1%

2015 Civilian Population 16+ in Labor Force

Civilian Employed	93.6%
Civilian Unemployed	6.4%

2015 Employed Population 16+ by Industry

Total	28,167
Agriculture/Mining	1.2%
Construction	7.8%
Manufacturing	12.4%
Wholesale Trade	2.0%
Retail Trade	13.0%
Transportation/Utilities	5.0%
Information	1.0%
Finance/Insurance/Real Estate	5.2%
Services	46.4%
Public Administration	6.2%

2015 Employed Population 16+ by Occupation

Total	28,167
White Collar	59.9%
Management/Business/Financial	12.1%
Professional	21.3%
Sales	12.8%
Administrative Support	13.7%
Services	17.6%
Blue Collar	22.4%
Farming/Forestry/Fishing	0.3%
Construction/Extraction	6.0%
Installation/Maintenance/Repair	3.3%
Production	7.5%
Transportation/Material Moving	5.3%



Community Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

Putnam County, T...

2010 Households by Type

Total	28,930
Households with 1 Person	28.0%
Households with 2+ People	72.0%
Family Households	63.9%
Husband-wife Families	48.3%
With Related Children	19.4%
Other Family (No Spouse Present)	15.6%
Other Family with Male Householder	4.7%
With Related Children	2.8%
Other Family with Female Householder	10.9%
With Related Children	6.9%
Nonfamily Households	8.1%
All Households with Children	29.5%
Multigenerational Households	3.1%
Unmarried Partner Households	5.6%
Male-female	5.0%
Same-sex	0.6%

2010 Households by Size

Total	28,930
1 Person Household	28.0%
2 Person Household	35.9%
3 Person Household	16.2%
4 Person Household	12.0%
5 Person Household	5.1%
6 Person Household	1.8%
7 + Person Household	1.0%

2010 Households by Tenure and Mortgage Status

Total	28,930
Owner Occupied	62.0%
Owned with a Mortgage/Loan	36.3%
Owned Free and Clear	25.7%
Renter Occupied	38.0%

Data Note: Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2015 and 2020. Esri converted Census 2000 data into 2010 geography.

February 17, 2016



Medical Expenditures

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

Demographic Summary

	2015	2020
Population	75,324	78,047
Households	30,259	31,382
Families	19,160	19,763
Median Household Income	\$36,152	\$42,270
Males per 100 Females	98.8	99.2

Population By Age

Population <5 Years	5.7%	5.5%
Population 65+ Years	16.4%	18.4%
Median Age	36.8	38.3

	Spending Potential Index	Average Amount Spent	Total
Health Care	75	\$3,549.99	\$107,419,148
Medical Care	75	\$1,579.25	\$47,786,529
Physician Services	71	\$189.69	\$5,739,700
Dental Services	69	\$266.72	\$8,070,550
Eyecare Services	75	\$41.55	\$1,257,400
Lab Tests, X-Rays	80	\$53.67	\$1,623,985
Hospital Room and Hospital Services	80	\$161.06	\$4,873,620
Convalescent or Nursing Home Care	90	\$28.21	\$853,745
Other Medical services (1)	69	\$79.10	\$2,393,593
Nonprescription Drugs	77	\$99.76	\$3,018,600
Prescription Drugs	79	\$395.42	\$11,964,929
Nonprescription Vitamins	73	\$50.98	\$1,542,537
Medicare Prescription Drug Premium	85	\$74.71	\$2,260,672
Eyeglasses and Contact Lenses	73	\$66.20	\$2,003,093
Hearing Aids	75	\$20.30	\$614,359
Medical Equipment for General Use	78	\$4.72	\$142,782
Other Medical Supplies (2)	73	\$47.16	\$1,426,964
Health Insurance	75	\$1,970.74	\$59,632,619
Blue Cross/Blue Shield	74	\$630.97	\$19,092,636
Commercial Health Insurance	70	\$346.30	\$10,478,636
Health Maintenance Organization	68	\$305.08	\$9,231,541
Medicare Payments	83	\$434.40	\$13,144,522
Long Term Care Insurance	69	\$69.91	\$2,115,461
Other Health Insurance (3)	83	\$184.07	\$5,569,822

Data Note: The Spending Potential Index (SPI) is household-based, and represents the amount spent for a product or service relative to a national average of 100. Detail may not sum to totals due to rounding.

(1) Other Medical Services includes Services by Medical Professionals other than Physicians, Nursing Services, Therapeutic Treatments, Blood Donation, Ambulance, Emergency Room, and Outpatient Hospital Services

(2) Other Medical Supplies includes Topicals, Dressings, Supportive and Convalescent Medical Equipment, Rental of Medical Equipment for General Use, and Rental of Supportive and Convalescent Medical Equipment.

(3) Other Health Insurance includes Medicare Supplements and Other Health Insurance excluding Blue Cross/Blue Shield.

Source: Esri forecasts for 2015 and 2020; Consumer Spending data are derived from the 2011 and 2012 Consumer Expenditure Surveys, Bureau of Labor statistics

February 17, 2016



Net Worth Profile

Putnam County, TN
Putnam County, TN (47141)
Geography: County

Prepared by Esri

Summary	Census 2010	2015	2020	2015-2020 Change	2015-2020 Annual Rate
Population	72,321	75,324	78,047	2,723	0.71%
Median Age	35.9	36.8	38.3	1.5	0.80%
Households	28,930	30,259	31,382	1,123	0.73%
Average Household Size	2.41	2.40	2.41	0.01	0.08%

2015 Households by Net Worth

	Number	Percent
Total	30,259	100.0%
<\$15,000	12,834	42.4%
\$15,000-\$34,999	2,454	8.1%
\$35,000-\$49,999	1,222	4.0%
\$50,000-\$74,999	1,770	5.8%
\$75,000-\$99,999	1,278	4.2%
\$100,000-\$149,999	2,121	7.0%
\$150,000-\$249,999	2,859	9.4%
\$250,000-\$500,000	3,028	10.0%
\$500,000+	2,693	8.9%
Median Net Worth	\$33,002	
Average Net Worth	\$312,531	

2015 Net Worth by Age of Householder	Number of Households						
	<25	25-34	35-44	45-54	55-64	65-74	75+
Total	2,800	4,803	4,407	5,084	5,226	4,494	3,445
<\$15,000	2,483	3,159	2,092	2,073	1,688	783	556
\$15,000-\$34,999	189	520	482	480	409	186	188
\$35,000-\$49,999	46	192	261	214	242	182	85
\$50,000-\$99,999	39	467	568	585	525	486	378
\$100,000-\$149,999	17	186	299	315	398	524	382
\$150,000-\$249,999	19	130	335	490	575	625	685
\$250,000+	7	149	370	927	1,389	1,708	1,171
Median Net Worth	\$8,458	\$11,403	\$17,943	\$34,267	\$70,556	\$159,519	\$162,948
Average Net Worth	\$16,605	\$57,253	\$159,298	\$266,987	\$445,716	\$716,052	\$443,763

Data Note: Net Worth is total household wealth minus debt, secured and unsecured. Net worth includes home equity, equity in pension plans, net equity in vehicles, IRAs and Keogh accounts, business equity, interest-earning assets and mutual fund shares, stocks, etc. Examples of secured debt include home mortgages and vehicle loans; examples of unsecured debt include credit card debt, certain bank loans, and other outstanding bills. Forecasts of net worth are based on the Survey of Consumer Finances, Federal Reserve Board.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2015 and 2020.

Section C, General Criteria – 6
Historical & Projected Utilization

NHC HealthCare, Cookeville Projected Utilization

Year	Licensed Beds	SNF/NF Beds Dually Certified	SNF Medicare/ Level II ADC	SNF Medicaid Level II ADC	All Other Payors ADC	Medicaid NF ADC	Total ADC	Average Length of Stay	Licensed Occupancy
2013	94	94	21	0.34	20	42	83	108.5	87.9%
2014	94	94	19	0.45	14	53	87	108.1	92.3%
2015	94	94	24	0.16	15	47	87	89.7	92.0%
2019 (Projected)	104	104	31	0.16	17	47	95	75.1	85.5%
2020 (Projected)	104	104	32	0.16	17	47	96	73.8	95.1%

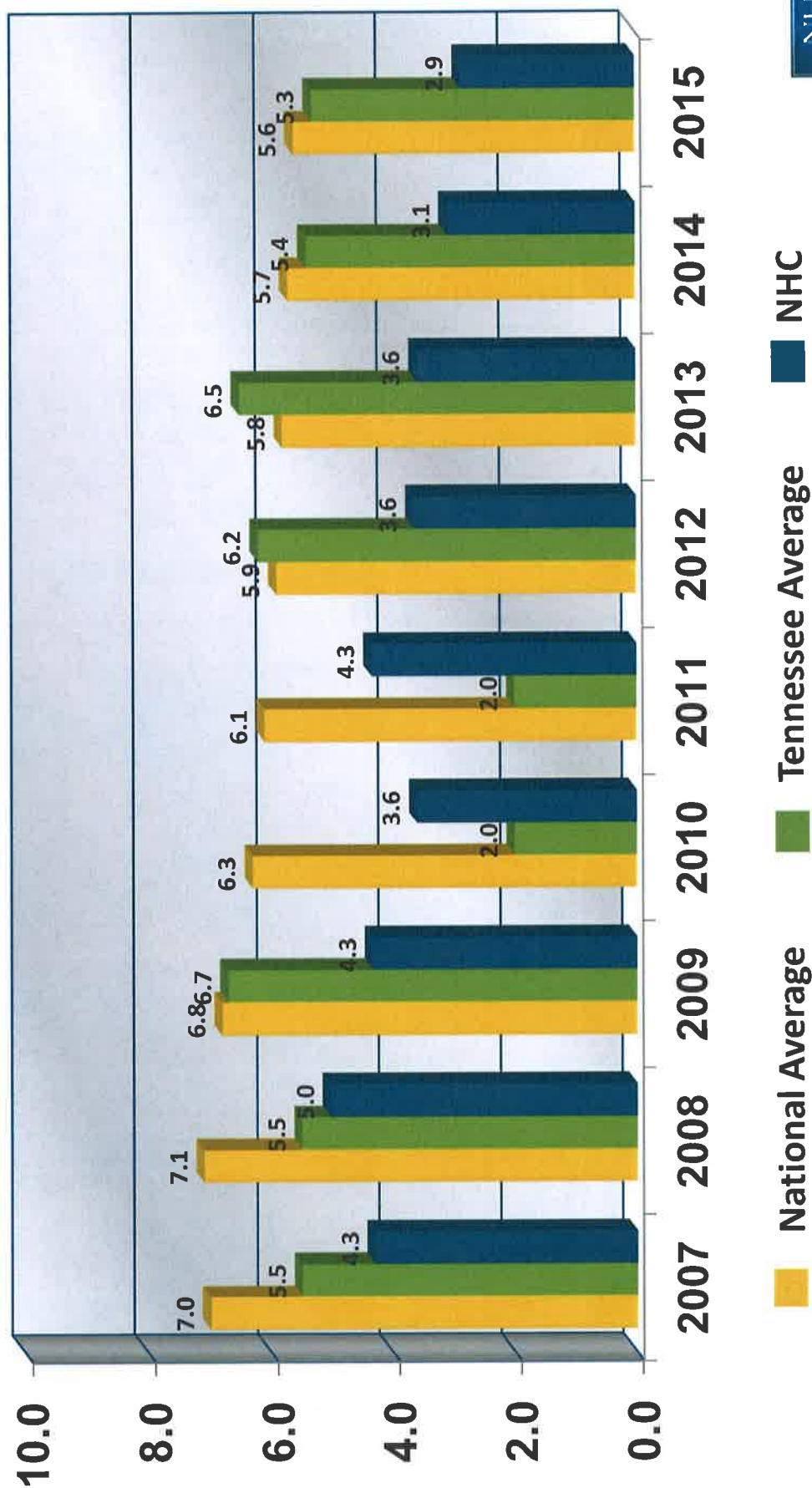
Source: NHC Internal Documents

Section C, General Criteria – 12

Quality Control and Monitoring

Deficiencies per Survey

*NHC vs. National and Tennessee Average
(2007 – November 2015)*



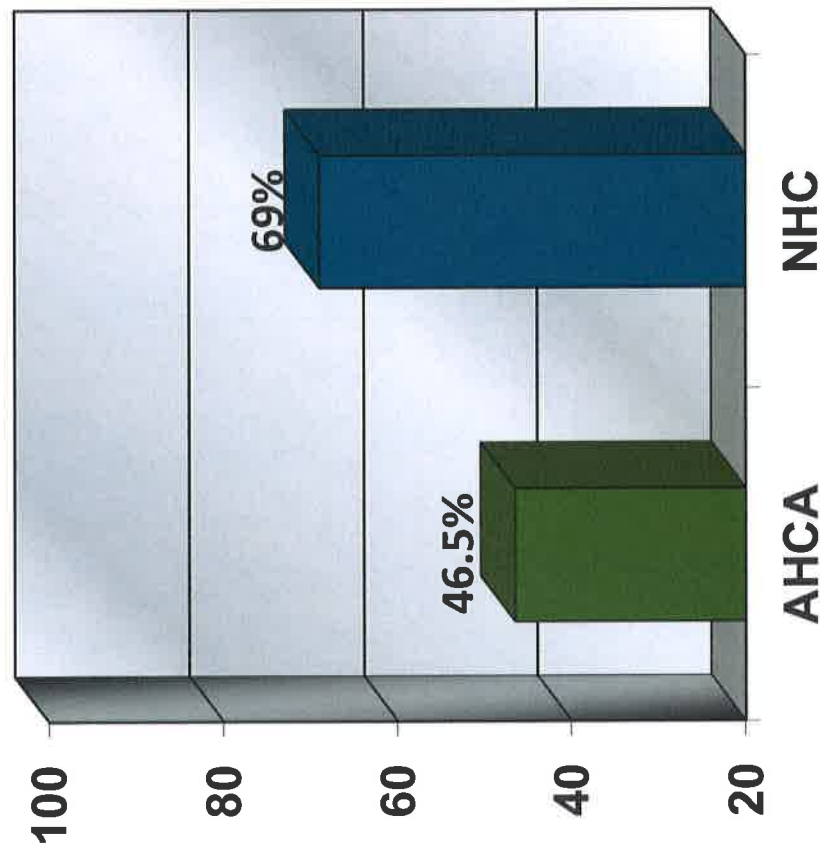
Source: Tennessee Nursing Home Inspection and Enforcement Activities Report
Medicare.gov



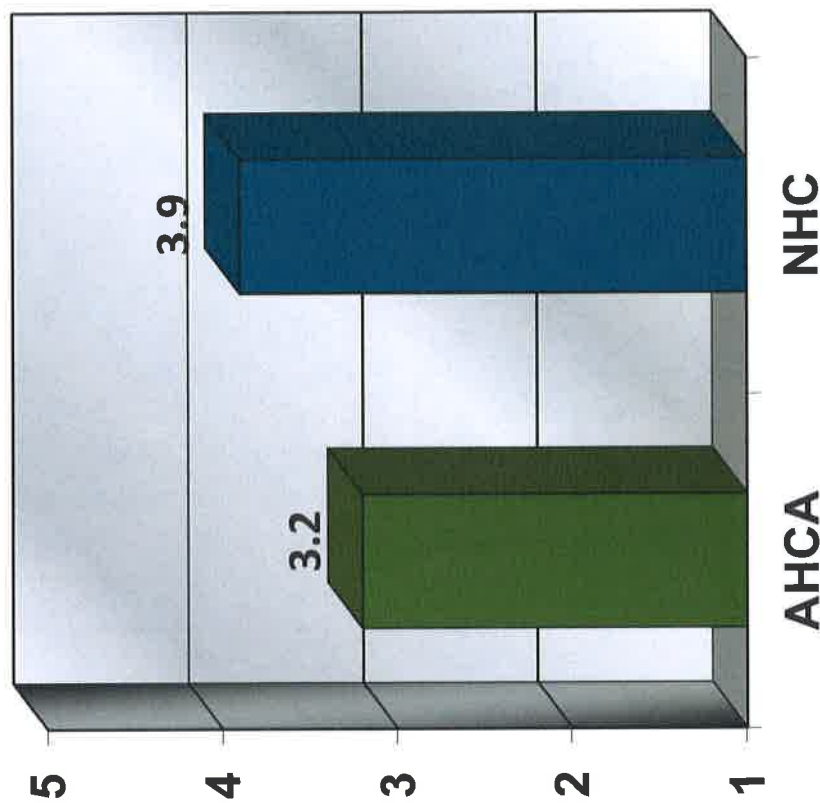
CMS Five-Star Ratings

Operational Excellence – November 2015

**Four and Five-Star Ratings %
AHCA vs. NHC**



**Average Overall Scores
AHCA vs. NHC**



*** Note: System change effective January 2015.**





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X. QUALITY IMPROVEMENT

10.0 Quality Assurance Performance Improvement (QAPI)

The NHC Quality Assurance Performance Improvement Committee oversees and directs all activities aimed at evaluating and improving the quality of care rendered to patients. The Committee provides process oversight, and directs regional and center activities aimed at quality improvement. The Committee provides an ongoing analysis of these activities, and directs the development of plans of correction as deemed necessary.

Each NHC Center Quality Assurance Performance Improvement Committee is responsible for implementing and maintaining an ongoing system-wide process of quality improvement as directed by the NHC Quality Assurance Performance Improvement Committee.

Centers will cooperate and participate as appropriate to facilitate CMS initiatives related to patient-centered care.

10.1 PHARMACY COMMITTEE

In accordance with the philosophy of National HealthCare Corporation and the Quality Improvement Plan, and at the direction of the Quality Assurance Performance Improvement Committee, the Pharmacy Committee is a subcommittee of the center's Quality Assurance Performance Improvement Committee.

The Pharmacy Committee will oversee pharmacy services/programs/activities at the center level and be involved in ongoing quality improvement measures to assure the appropriate level of service.

The Committee oversees the pharmaceutical service in the center to assure that accepted professional principles and appropriate federal, state and local laws are followed. The Pharmacy Committee makes recommendations for improvement and monitors pharmacy services to insure their adequacy and accuracy.

The persons currently appointed to serve on the Pharmacy Committee (to include at least the Medical Director, DON, Consultant Pharmacist & Administrator) are listed in the minutes of the Committee meetings. The Pharmacy Committee shall meet quarterly and at the call of the chairman. The Pharmacy Committee documents its activities, findings, and recommendations. The consultant pharmacist interacts with the Quality Improvement Committee regarding the provision of pharmacy service in the center, the development of related procedures, and the evaluation of pharmaceutical services.

(CFR 483.60, Pharmacy Services)

10.2 INFECTION CONTROL COMMITTEE

In accordance with the philosophy of National HealthCare Corporation and the Quality Improvement Plan, and at the direction of the Quality Assurance Performance Improvement Committee, the Infection Control Committee is a subcommittee of the center's Quality Assurance Performance Improvement Committee.

The Infection Control Committee will oversee infection control services/programs/activities at the center level and be involved in ongoing quality improvement measures to assure the appropriate level of service.

A. This center has an Infection Control Committee (ICC) composed of professionals and designated persons from at least the following: nursing, dietary, housekeeping, pharmacy, and administration. The ICC is a subcommittee of the QAPI Committee. Regular quarterly meetings are held with reports and minutes maintained. In order to prevent and contain the spread of infections and disease, the ICC will develop guidelines based on CDC, OSHA, & NIOSH regulations. Compliance with procedures and guidelines will be determined through monitoring infection control practices, surveillance, and data collection (i.e., employee health, visitors, dietary, laundry, and environmental services).

B. Centers will follow CDC and state-specific notifiable disease rules. Patients with contagious disease, open sores, or infected lesions are to be treated with transmission-based precautions procedures as indicated by the CDC guidelines.

C. The center does not accept patients with suspected or confirmed infectious TB disease for admission.

Patients with TB disease who are, based on 2005 CDC Guidelines, determined to be non-infectious, can be admitted and do not require placement in an Airborne Infection Isolation room.

Since the likelihood of TB is increased in patients with HIV infection; prior to the admission of a patient with a diagnosis of HIV infection, the center will obtain a reliable negative TB skin test performed within 30 days prior to admission.

D. The center will not allow partners with a communicable disease or infected skin lesion to be in direct contact with patients or their food if direct contact will transmit the disease.

E. Partner TB testing and screening will be in accordance with CDC recommendations based on center risk assessment and comply with state-specific regulations.

F. Care of Patients During a Communicable Disease Episode of Epidemic Proportions

1. New patients will not be admitted until cleared by a physician and/or infection control professional. Visitation privileges will be established by the infection control committee.
2. Affected patients will be immediately isolated from other patients. If required, arrangements will be made to transfer affected persons to other facilities where appropriate isolation measures can be implemented.
3. Required medical reports will be forwarded to proper authorities.

G. The Infection Control in-service program meets state, OSHA and other federal standards for topic, frequency and program content.

10.3 PATIENT SAFETY COMMITTEE

In accordance with the philosophy of National HealthCare Corporation and the Quality Improvement Plan, and at the direction of the Quality Assurance Performance Improvement Committee, the Patient Safety Committee is a subcommittee of the center's Quality Assurance Performance Improvement Committee.

The Patient Safety Committee will oversee the safety program related to patient care and be involved in ongoing quality improvement measures to assure patient safety.

Committee make up should be limited to clinical partners. The persons currently appointed to serve on the Patient Safety Committee are listed in the minutes of the Committee meetings. The Patient Safety Committee shall meet at least monthly. The Patient Safety Committee documents its activities, findings, and recommendations, which are then presented to the Quality Assurance Performance Improvement Committee.

10.4 UTILIZATION REVIEW COMMITTEE

The center's Utilization Review Committee will review the medical necessity of skilled services to assure the appropriate level of care.

The Committee will apply the Medicare Part A Coverage Criteria in an objective and impartial manner to each Medicare Part A beneficiary's care at the time of admission and during the continued stay.

The appropriateness of professional services (including drugs and biologicals), are determined based on the individual patient's need for inpatient placement and the type, frequency, and duration of the service provided.

An objective *physician* review of patient medical need is matched with the services being rendered. Decisions of reasonableness and appropriateness of services provided are based on medical need rather than preference or choice.

The objectives are:

1. Services provided to the patient are medically necessary.
2. Type and quality of service are the appropriate response to identified patient need.
3. Care is provided in the most appropriate setting.
4. Medical necessity criteria are applied impartially.
5. Care provided meets current standards of practice (or coverage criteria for insurer).



Five Elements

Element 1: Design and Scope

A QAPI program must be ongoing and comprehensive, dealing with the full range of services offered by the facility, including the full range of departments. When fully implemented, the QAPI program should address all systems of care and management practices, and should always include clinical care, quality of life, and resident choice. It aims for safety and high quality with all clinical interventions while emphasizing autonomy and choice in daily life for residents (or resident's agents). It utilizes the best available evidence to define and measure goals. Nursing homes will have in place a written QAPI plan adhering to these principles.

Element 2: Governance and Leadership

The governing body and/or administration of the nursing home develops a culture that involves leadership seeking input from facility staff, residents, and their families and/or representatives. The governing body assures adequate resources exist to conduct QAPI efforts. This includes designating one or more persons to be accountable for QAPI; developing leadership and facility-wide training on QAPI; and ensuring staff time, equipment, and technical training as needed. The Governing Body should foster a culture where QAPI is a priority by ensuring that policies are developed to sustain QAPI despite changes in personnel and turnover. Their responsibilities include, setting expectations around safety, quality, rights, choice, and respect by balancing safety with resident-centered rights and choice. The governing body ensures staff accountability, while creating an atmosphere where staff is comfortable identifying and reporting quality problems as well as opportunities for improvement.

Element 3: Feedback, Data Systems and Monitoring

The facility puts systems in place to monitor care and services, drawing data from multiple sources. Feedback systems actively incorporate input from staff, residents, families, and others as appropriate. This element includes using Performance Indicators to monitor a wide range of care processes and outcomes, and reviewing findings against benchmarks and/or targets the facility has established for performance. It also includes tracking, investigating, and monitoring Adverse Events that must be investigated every time they occur, and action plans implemented to prevent recurrences.

Element 4: Performance Improvement Projects (PIPs)

A Performance Improvement Project (PIP) is a concentrated effort on a particular problem in one area of the facility or facility wide; it involves gathering information systematically to clarify issues or problems, and intervening for improvements. The facility conducts PIPs to examine and improve care or services in areas that the facility identifies as needing attention. Areas that need attention will vary depending on the type of facility and the unique scope of services they provide.

Element 5: Systematic Analysis and Systemic Action

The facility uses a systematic approach to determine when in-depth analysis is needed to fully understand the problem, its causes, and implications of a change. The facility uses a thorough and highly organized/ structured approach to determine whether and how identified problems may be caused or exacerbated by the way care and services are organized or delivered. Additionally, facilities will be expected to develop policies and procedures and demonstrate proficiency in the use of Root Cause Analysis. Systemic Actions look comprehensively across all involved systems to prevent future events and promote sustained improvement. This element includes a focus on continual learning and continuous improvement.

Section C, General Criteria – 14(b)
Additional Occupancy Rate Standards

**Putnam County Nursing Facilities State Survey Results by
Number of Deficiencies**

2/24/2016

Facility	CMS Star Rating	Survey Date	Number of Health Deficiencies	Average Number of Hlth Deficiencies in TN	Difference in Avg Number of Hlth Deficiencies in TN	Average Number of Hlth Deficiencies in US	Difference in Avg Number of Hlth Deficiencies in US
Bethesda Health Care Center	4	4/29/2015 2/20/2014 2/12/2013	5 1 11	5.3 5.8 6.9	(0) (5) 4	6.9 7.0 7.1	(2) (6) 4
NHC HealthCare, Cookeville	4	3/11/2015 1/23/2014 11/15/2012	2 6 0	5.3 5.8 6.9	(3) 0 (7)	6.9 7.0 7.1	(5) (1) (7) 0
Signature Healthcare of Putnam Co.	1	2/4/2015 12/11/2013 7/12/2012	7.5 7 5	5.3 5.8 6.9	2 1 (2)	6.9 7.0 7.1	1 0 (2)
Standing Stone Care & Rehab	1	10/21/2015 7/30/2014 3/27/2013	6 3 8	5.3 5.8 6.9	1 (3) 1	6.9 7.0 7.1	(1) (4) 1

Source: Medicare web site - Nursing Home Compare

Section C - Economic Feasibility – 1

Project Costs Chart & Assumptions

NHC HealthCare, Cookeville
10 Bed Addition

PROJECT COSTS CHART

A. Construction and equipment acquired by purchase:

1. Architectural and Engineering Fees	<u>268,100</u>
2. Legal, Administrative, Consultant Fees	<u>37,500</u>
3. Acquisition of Site (Building, including estimated closing costs)	<u> </u>
4. Preparation of Site	<u>575,000</u>
5. Construction Costs	<u>3,023,500</u>
6. Contingency Fund	<u>151,175</u>
7. Fixed Equipment (Not included in Construction Contract)	<u>398,660</u>
8. Moveable Equipment (List all equipment over \$50,000)	<u>126,500</u>
9. Other (Specify) Landscaping, pre-opening, impact fees	<u>122,500</u>

B. Acquisition by gift, donation or lease:

1. Facility (Inclusive of building and land)	<u> </u>
2. Building Only	<u> </u>
3. Land Only	<u> </u>
4. Equipment (Specify)	<u> </u>
5. Other (Specify)	<u> </u>

C. Financing costs and Fees:

1. Interim Financing	<u>92,765</u>
2. Underwriting Costs	<u> </u>
3. Reserve for One Year's Debt Service	<u> </u>
4. Other (Specify)	<u> </u>

D. Total Estimated Project Cost (A + B + C)	<u>4,795,700</u>
--	-------------------------

E. CON Filing Fee	<u>10,790.33</u>
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F. Total Estimated Project Cost (D + E)	<u>\$ 4,806,490</u>
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NHC HealthCare, Cookeville
10 Bed Addition
Project Costs Charts Assumptions

Architectural/Engineering	
Architect	\$ 186,100
Civil and Landscaping	21,000
Landscape Architect	11,000
Materials and SWWP Inspection	20,000
Test & balance study	30,000
Total	<u>\$ 268,100</u>
Fixed Equipment	
Kitchen, Laundry, Asst. Bathing, Signage	<u>\$ 398,660</u>
Other Costs	
Landscaping	\$ 35,000
Impact Fees	50,000
Survey & Topo	6,500
Geotechnical Study	6,000
Start up costs (pre-opening)	25,000
Total	<u>\$ 122,500</u>

Johnson + Bailey Architects P.C.



March 21, 2016

Mr. Bruce Duncan
National HealthCare Corporation
100 East Vine Street
Murfreesboro, TN 37130

Re: 10 Bed Addition
NHC HealthCare Cookeville
J+B No. NHC Gen.

Dear Bruce:

Based upon a new construction total building area of 14,200 sq. ft. at \$187.05/sf for a total of \$2,656,110, and a 2,200 sq. ft. 2 story office/storeroom building at \$96.75/sf for a total of \$212,850, and renovations to 12 patient rooms being converted from semi-private to private at \$26.87/sf for a total of \$68,518, plus approximately \$86,013 for renovations to the existing kitchen dish room, it is my opinion, based upon recently completed similar projects, that the total construction costs for the referenced project should be \$3,023,491 exclusive of site development, equipment, and other soft costs.

The plans have been designed in compliance with the applicable building and life safety codes and to the requirements specified in the latest adopted edition of the Guidelines for the Design and Construction of Health Care Facilities, and the Rules of Tennessee Department of Health, Chapter 1200-8-6, Standards for Nursing Homes.

Please advise if you require any additional information relative to construction costs for this project.

Sincerely,

JOHNSON + BAILEY ARCHITECTS P.C.

A handwritten signature in black ink, appearing to read 'James H. Bailey III'.

James H. Bailey III AIA
President

Section C – Economic Feasibility - 2

Project Funding

April 8, 2016

Ms. Melanie Hill, Executive Director
State of Tennessee
Health Services and Development Agency
502 Deaderick Street, 9th Floor
Nashville, TN 37243

RE: National Health Corporation d/b/a NHC HealthCare, Cookeville (Putnam County),
10 Bed Addition and Center Renovations \$4,806,490

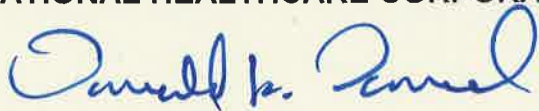
Dear Ms. Hill:

National HealthCare Corporation, a NYSE Amex publicly traded company with over \$38,000,000 of cash and cash equivalents, as stated in the December 31, 2015 10-K, will make available all the necessary funds for the operation and working capital for the above referenced project. These funds are available on immediate notice.

Should you have any further questions or comments, please advise.

Sincerely,

NATIONAL HEALTHCARE CORPORATION



Donald K. Daniel
Senior Vice President and Controller

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934**
For the fiscal year ended **December 31, 2015**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

Commission File No. 001-13489



(Exact name of registrant as specified in its Corporate Charter)

Delaware
(State of Incorporation)

52-2057472
(I.R.S. Employer I.D. No.)

**100 Vine Street
Murfreesboro, Tennessee 37130**
(Address of principal executive offices)
Telephone Number: **615-890-2020**

Securities registered pursuant to Section 12(b) of the Act.

Title of Each Class
Shares of Common Stock

Name of Each Exchange on which Registered
NYSE MKT

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months or for such shorter period that the registrant was required to file such reports, and (2) has been subject to such filing requirements for the past 90 days: Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such period that the registrant was required to submit and post such files).
Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company (as defined in Rule 12b-2 of the Act). Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of Common Stock held by non-affiliates on June 30, 2015 (based on the closing price of such shares on the NYSE MKT) was approximately \$505 million. For purposes of the foregoing calculation only, all directors, named executive officers and persons known to the Registrant to be holders of 5% or more of the Registrant's Common Stock have been deemed affiliates of the Registrant.

The number of shares of Common Stock outstanding as of February 16, 2016 was 15,005,616.

Documents Incorporated by Reference

The following documents are incorporated by reference into Part III, Items 10, 11, 12, 13 and 14 of this Form 10-K:
The Registrant's definitive proxy statement for its 2016 shareholder's meeting.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
National HealthCare Corporation

We have audited the accompanying consolidated balance sheets of National HealthCare Corporation as of December 31, 2015 and 2014 and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2015. Our audits also included the financial statement schedule listed in the Index and Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of National HealthCare Corporation at December 31, 2015 and 2014 and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As discussed in Note 1 to the consolidated financial statements, the Company changed its presentation of deferred tax assets and liabilities as a result of the adoption of the amendments to the FASB Accounting Standards Codification resulting from Accounting Standards Update 2015-17, *Income Taxes: Balance Sheet Classification of Deferred Taxes*, effective December 31, 2015.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), National HealthCare Corporation's internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) and our report dated February 19, 2016, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Nashville, Tennessee
February 19, 2016

NATIONAL HEALTHCARE CORPORATION
Consolidated Statements of Income
(in thousands, except share and per share amounts)

	Year Ended December 31,		
	2015	2014	2013
Revenues:			
Net patient revenues	\$ 864,846	\$ 829,287	\$ 735,837
Other revenues	41,776	42,396	53,120
Net operating revenues	<u>906,622</u>	<u>871,683</u>	<u>788,957</u>
Costs and Expenses:			
Salaries, wages and benefits	532,735	510,249	453,560
Other operating	227,072	217,143	194,989
Facility rent	39,967	39,731	39,449
Depreciation and amortization	37,114	34,384	28,547
Interest	2,608	2,165	331
Total costs and expenses	<u>839,496</u>	<u>803,672</u>	<u>716,876</u>
Income Before Non-Operating Income	67,126	68,011	72,081
Non-Operating Income	<u>18,148</u>	<u>17,182</u>	<u>30,095</u>
Income Before Income Taxes	85,274	85,193	102,176
Income Tax Provision	<u>(32,131)</u>	<u>(31,824)</u>	<u>(37,563)</u>
Net Income	<u>53,143</u>	<u>53,369</u>	<u>64,613</u>
Dividends to Preferred Stockholders	<u>(6,819)</u>	<u>(8,670)</u>	<u>(8,671)</u>
Net Income Available to Common Stockholders	<u>\$ 46,324</u>	<u>\$ 44,699</u>	<u>\$ 55,942</u>
Earnings Per Common Share:			
Basic	\$ 3.34	\$ 3.24	\$ 4.05
Diluted	\$ 3.20	\$ 3.14	\$ 3.87
Weighted Average Common Shares Outstanding:			
Basic	13,889,134	13,816,095	13,829,626
Diluted	14,491,433	14,222,133	16,698,803
Dividends Declared Per Common Share	\$ 1.54	\$ 1.34	\$ 1.26

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

NATIONAL HEALTHCARE CORPORATION
Consolidated Statements of Comprehensive Income
(in thousands)

	Year Ended December 31,		
	2015	2014	2013
Net Income	\$ 53,143	\$ 53,369	\$ 64,613
Other Comprehensive Income (Loss):			
Unrealized gains (losses) on investments in marketable securities	(17,740)	30,416	(7,211)
Reclassification adjustment for realized gains on sale of securities	(566)	(379)	(39)
Income tax (expense) benefit related to items of other comprehensive income (loss)	7,062	(11,614)	2,627
Other comprehensive income (loss), net of tax	(11,244)	18,423	(4,623)
Comprehensive Income	\$ 41,899	\$ 71,792	\$ 59,990

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

NATIONAL HEALTHCARE CORPORATION
Consolidated Balance Sheets
(in thousands)

	December 31,	
	2015	2014
Assets		
Current Assets:		
Cash and cash equivalents	\$ 38,208	\$ 69,767
Restricted cash and cash equivalents	8,793	7,020
Marketable securities	116,168	132,535
Restricted marketable securities	18,276	19,805
Accounts receivable, less allowance for doubtful accounts of \$5,583 and \$5,738, respectively	84,095	78,843
Inventories	7,568	7,127
Prepaid expenses and other assets	2,171	2,260
Notes receivable, current portion	460	441
Federal income tax receivable	3,203	4,727
Total current assets	<u>278,942</u>	<u>322,525</u>
Property and Equipment:		
Property and equipment, at cost	875,287	821,792
Accumulated depreciation and amortization	<u>(339,241)</u>	<u>(307,048)</u>
Net property and equipment	<u>536,046</u>	<u>514,744</u>
Other Assets:		
Restricted cash and cash equivalents	2,313	3,631
Restricted marketable securities	151,590	138,468
Deposits and other assets	8,451	8,791
Goodwill	17,600	17,600
Notes receivable, less current portion	12,704	12,548
Deferred income taxes	—	18,700
Investments in limited liability companies	37,683	37,116
Total other assets	<u>230,341</u>	<u>236,854</u>
Total assets	<u>\$ 1,045,329</u>	<u>\$ 1,074,123</u>

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

NATIONAL HEALTHCARE CORPORATION
Consolidated Balance Sheets
(in thousands, except share and per share amounts)

	December 31,	
	2015	2014
Liabilities and Stockholders' Equity		
Current Liabilities:		
Trade accounts payable	\$ 20,128	\$ 15,877
Capital lease obligations, current portion	3,279	3,088
Accrued payroll	65,338	59,859
Amounts due to third party payors	16,654	22,931
Accrued risk reserves, current portion	27,069	26,825
Deferred income taxes	—	35,506
Other current liabilities	12,192	12,472
Dividends payable	5,996	7,000
Total current liabilities	<u>150,656</u>	<u>183,558</u>
Long-term debt	120,000	10,000
Capital lease obligations, less current portion	30,228	33,508
Accrued risk reserves, less current portion	71,439	79,393
Refundable entrance fees	9,865	10,219
Obligation to provide future services	3,440	3,927
Deferred income taxes	9,096	—
Other noncurrent liabilities	16,294	16,011
Deferred revenue	3,315	3,359
Stockholders' Equity:		
Series A convertible preferred stock; \$.01 par value; 25,000,000 shares authorized; -0- and 10,836,659 shares, respectively, issued and outstanding; stated at liquidation value of \$15.75 per share	—	170,494
Common stock, \$.01 par value; 30,000,000 shares authorized; 15,000,616 and 14,110,859 shares, respectively, issued and outstanding	150	140
Capital in excess of par value	209,469	154,965
Retained earnings	368,013	343,941
Accumulated other comprehensive income	53,364	64,608
Total stockholders' equity	<u>630,996</u>	<u>734,148</u>
Total liabilities and stockholders' equity	<u>\$ 1,045,329</u>	<u>\$ 1,074,123</u>

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

NATIONAL HEALTHCARE CORPORATION
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2015	2014	2013
Cash Flows From Operating Activities:			
Net income	\$ 53,143	\$ 53,369	\$ 64,613
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	37,114	34,384	28,547
Provision for doubtful accounts	6,583	6,228	5,226
Equity in earnings of unconsolidated investments	(5,845)	(6,675)	(14,188)
Distributions from unconsolidated investments	6,505	10,288	15,473
Gains on sale of marketable securities	(566)	(379)	(39)
Gain on recovery of notes receivable	—	—	(5,454)
Deferred income taxes	(648)	(1,434)	(2,404)
Stock-based compensation	1,982	2,021	2,298
Changes in operating assets and liabilities, net of the effect of acquisitions:			
Restricted cash and cash equivalents	(9,392)	(6,245)	(10,405)
Accounts receivable	(11,835)	(5,215)	(13,778)
Income tax receivable	1,524	(4,727)	5,933
Inventories	(441)	19	(486)
Prepaid expenses and other assets	89	(2,587)	(76)
Trade accounts payable	4,251	2,827	2,495
Accrued payroll	5,479	(3,603)	26,219
Amounts due to third party payors	(6,277)	1,312	2,352
Other current liabilities and accrued risk reserves	(7,455)	(5,652)	(6,401)
Obligation to provide future services	(487)	238	1,898
Other noncurrent liabilities	283	1,486	635
Deferred revenue	(44)	39	(110)
Net cash provided by operating activities	73,963	75,694	102,348
Cash Flows From Investing Activities:			
Additions to property and equipment	(58,416)	(53,298)	(43,438)
Investments in unconsolidated limited liability companies	(674)	(1,975)	—
Acquisition of real estate of six skilled nursing facilities	—	—	(21,000)
Acquisition of non-controlling interest	—	(768)	—
Investments in notes receivable	(5,676)	(767)	—
Collections of notes receivable	4,948	3,156	11,865
Decrease in restricted cash and cash equivalents	8,937	9,523	8,039
Purchases of marketable securities	(60,540)	(62,165)	(93,155)
Sale of marketable securities	47,574	48,786	81,389
Net cash used in investing activities	(63,847)	(57,508)	(56,300)
Cash Flows From Financing Activities:			
Borrowings under credit facility	110,000	—	—
Redemption of preferred shareholders	(130,538)	—	—
Tax benefit (expense) from stock-based compensation	1,942	201	(225)
Principal payments under capital lease obligations	(3,089)	(2,436)	—
Dividends paid to preferred stockholders	(8,986)	(8,670)	(8,671)
Dividends paid to common stockholders	(21,089)	(18,704)	(17,469)
Issuance of common shares	10,634	7,429	991
Repurchase of common shares	—	(6,995)	(4,700)
Debt issuance costs	(601)	—	—
Entrance fee deposits (refunds)	(354)	(501)	40
Increase in deposits	406	(448)	(1,010)
Net cash used in financing activities	(41,675)	(30,124)	(31,044)
Net Increase (Decrease) in Cash and Cash Equivalents	(31,559)	(11,938)	15,004
Cash and Cash Equivalents, Beginning of Period	69,767	81,705	66,701
Cash and Cash Equivalents, End of Period	\$ 38,208	\$ 69,767	\$ 81,705

NATIONAL HEALTHCARE CORPORATION
Consolidated Statements of Cash Flows
(continued)

<i>(in thousands)</i>	Year Ended December 31,		
	2015	2014	2013
Supplemental Information:			
Cash payments for interest	\$ 2,965	\$ 2,242	\$ 497
Cash payments for income taxes	29,183	36,642	34,273
Non-cash financing and investing activities include:			
Buildings, personal property, and obligations recorded under capital lease agreements	—	39,032	—

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

Section C Economic Feasibility – 4

Historical & Projected Data Charts w/Assumptions

NHC HealthCare, Cookeville
10 Bed Addition

HISTORICAL DATA CHART

Give information for the last three (3) years for which complete data are available for the facility or agency. The fiscal year begins in January (Month).

	2013	2014	2015
A. Utilization Data (Specify unit of measure) Patient Days	30,170	31,671	31,573
% Occupancy	87.93%	92.31%	92.02%
B. Revenue from Services to Patients			
1. Inpatient Services	\$ 9,928,469	\$ 10,922,317	\$ 12,042,453
2. Outpatient Services			
3. Emergency Services			
4. Other Operating Revenue	2,908	10,925	7,204
(Specify) Cafateria Sales, interest, etc. _____			
Gross Operating Revenue	\$ 9,931,377	\$ 10,933,242	\$ 12,049,657
C. Deductions for Operating Revenue			
1. Contractual Adjustments	\$ (2,347,468)	\$ (2,886,127)	\$ (3,170,207)
2. Provision for Charity Care	(39,879)	(61,520)	(85,037)
3. Provisions for Bad Debt	(41,440)	(71,717)	(12,837)
Total Deductions	\$ (2,428,787)	\$ (3,019,364)	\$ (3,268,081)
NET OPERATING REVENUE	\$ 7,502,590	\$ 7,913,878	\$ 8,781,576
D. Operating Expenses			
1. Salaries and Wages	\$ 2,840,931	\$ 2,891,948	\$ 3,178,905
2. Physician's Salaries and Wages (Medical Services)	48,773	49,972	48,272
3. Supplies	120,993	147,023	150,705
4. Taxes	37,311	37,534	37,851
5. Depreciation	202,402	222,098	232,438
6. Rent			
7. Interest, other than Capital	16		
8. Management Fees:			
a. Fees to Affiliates	450,155	474,833	526,895
a. Fees to Non-Affiliates			
9. Other Expenses (Specify)	3,690,783	3,908,182	4,502,694
Total Operating Expenses	\$ 7,391,364	\$ 7,731,590	\$ 8,677,760
E. Other Revenue (Expenses)--Net (Specify)			
NET OPERATING INCOME (LOSS)	\$ 111,226	\$ 182,288	\$ 103,816
F. Capital Expenditures			
1. Retirement of Principal			
2. Interest	113,336	113,177	113,534
Total Capital Expenditures	\$ 113,336	\$ 113,177	\$ 113,534
NET OPERATING INCOME (LOSS)			
LESS CAPITAL EXPENDITURES	\$ (2,110)	\$ 69,111	\$ (9,718)

NHC HealthCare, Cookeville
HISTORICAL DATA CHART SUPPLEMENT
ANALYSIS OF HISTORICAL OPERATING EXPENSES

	2013			2014		
	Salaries	Other	Total	Salaries	Other	Total
Nursing	\$1,833,594	\$ 680,928	\$2,514,522	\$1,908,077	\$ 676,123	\$2,584,200
Social Services	89,735	13,336	103,071	101,148	52,031	153,179
Activities	43,799	10,693	54,492	47,927	22,483	70,410
Dietary	221,445	287,899	509,344	219,477	356,223	575,700
Plant Operations	72,666	197,422	270,088	67,287	212,287	279,574
Housekeeping	136,650	41,419	178,069	113,780	35,714	149,494
Laundry	76,478	36,171	112,649	67,745	33,026	100,771
Medical Records	48,031	21,410	69,441	50,990	22,385	73,375
Administrative & General	283,061	446,142	729,203	265,810	418,433	684,243
State License Fee		209,150	209,150		242,406	242,406
Insurance		6,509	6,509		6,703	6,703
IV Therapy		28,580	28,580		24,307	24,307
Pharmacy		518,297	518,297		527,906	527,906
Occupational Therapy		348,336	348,336		361,240	361,240
Speech Therapy		140,109	140,109		132,890	132,890
Inhalation Therapy		69,317	69,317		74,380	74,380
Physical Therapy	35,472	569,164	604,636	49,707	577,562	627,269
Transportation		22,828	22,828		85,314	85,314
Laboratory		22,063	22,063		25,368	25,368
X-Ray		11,808	11,808		10,557	10,557
Beauty and Barber		9,202	9,202		10,844	10,844
Miscellaneous						
TOTAL	\$2,840,931	\$3,690,783	\$6,531,714	\$2,891,948	\$3,908,182	\$6,800,130

NHC HealthCare, Cookeville
HISTORICAL DATA CHART SUPPLEMENT
ANALYSIS OF HISTORICAL OPERATING EXPENSES

	2015		
	Salaries	Other	Total
Nursing	\$2,127,059	\$ 684,413	\$2,811,472
Social Services	120,391	60,099	180,490
Activities	42,837	25,923	68,760
Dietary	208,664	320,612	529,276
Plant Operations	71,240	206,275	277,515
Housekeeping	118,511	44,000	162,511
Laundry	74,828	41,128	115,956
Medical Records	56,509	23,235	79,744
Administrative & General	301,699	485,736	787,435
State License Fee		315,951	315,951
Insurance		7,031	7,031
IV Therapy		94,680	94,680
Pharmacy		649,793	649,793
Occupational Therapy		450,072	450,072
Speech Therapy		140,218	140,218
Inhalation Therapy		67,524	67,524
Physical Therapy	57,167	755,186	812,353
Transportation		71,969	71,969
Laboratory		33,598	33,598
X-Ray		17,031	17,031
Beauty and Barber		8,220	8,220
Miscellaneous			
TOTAL	<u>\$3,178,905</u>	<u>\$4,502,694</u>	<u>\$7,681,599</u>

NHC Healthcare, Cookeville
10 Bed Addition

PROJECTED DATA CHART

Give information for the two (2) years following completion of this proposal. The fiscal year begins in November (Month).

	<u>Apr-19</u>	<u>Apr-20</u>
A. Utilization Data (Specify unit of measure) (Patient Days)	3,119	3,471
(Specify unit of measure) (% Occupancy)	85.45%	95.10%
B. Revenue from Services to Patients		
1. Inpatient Services	\$1,975,324	\$2,286,232
2. Outpatient Services		
3. Emergency Services		
4. Other Operating Revenue (Specify)		
Gross Operating Revenue	\$ 1,975,324	\$ 2,286,232
C. Deductions for Operating Revenue		
1. Contractual Adjustments	\$ (560,292)	\$ (679,978)
2. Provision for Charity Care	(3,266)	(3,707)
3. Provisions for Bad Debt	(3,807)	(4,322)
Total Deductions	\$ (567,365)	\$ (688,007)
NET OPERATING REVENUE	\$ 1,407,959	\$ 1,598,225
D. Operating Expenses		
1. Salaries and Wages	\$ 298,590	\$ 306,869
2. Physician's Salaries and Wages	5,501	5,665
3. Supplies	32,451	37,197
4. Taxes	18,800	19,364
5. Depreciation	163,698	163,698
6. Rent		
7. Interest, other than Capital		
8. Management Fees		
a. Fees to Affiliates	67,888	75,387
b. Fees to Non-Affiliates		
9. Other Expenses (Specify) - SEE ATTACHED SCHEDULE	861,821	977,255
Total Operating Expenses	\$ 1,448,749	\$ 1,585,435
E. Other Revenue (Expenses)--Net (Specify)		
NET OPERATING INCOME (LOSS)	\$ (40,790)	\$ 12,790
F. Capital Expenditure		
1. Retirement of Principal		
2. Interest		
Total Capital Expenditures	\$ -	\$ -
NET OPERATING INCOME (LOSS)		
LESS CAPITAL EXPENDITURES	\$ (40,790)	\$ 12,790

PROJECTED DATA CHART SUPPLEMENT
NHC HealthCare, Cookeville
PROJECTED DATA
YEAR 1

	<u>Salaries</u>	<u>Other</u>	<u>Total</u>
Inhalation Therapy		\$ 21,890	\$ 21,890
Occupational Therapy		158,629	158,629
Physical Therapy		158,396	158,396
Speech Pathology		134	134
Pharmacy		189,393	189,393
Lab and Radiology		38,467	38,467
IV Therapy		25,266	25,266
Nursing Service	220,899	77,114	298,013
Social Service	-	8,656	8,656
Activities	-	4,211	4,211
Dietary	21,425	37,184	58,609
Plant Operations	-	79,221	79,221
Housekeeping	42,599	11,541	54,140
Laundry and Linen	7,100	4,622	11,722
Medical Records	6,567	2,656	9,223
Adminstrative and General	-	44,441	44,441
Totals	<u>\$ 298,590</u>	<u>\$ 861,821</u>	<u>\$ 1,160,411</u>

PROJECTED DATA CHART SUPPLEMENT
NHC HealthCare, Cookeville
PROJECTED DATA
YEAR 2

	<u>Salaries</u>	<u>Other</u>	<u>Total</u>
Inhalation Therapy		\$ 25,092	\$ 25,092
Occupational Therapy		162,731	162,731
Physical Therapy		190,868	190,868
Speech Pathology		153	153
Pharmacy		217,091	217,091
Lab and Radilology		44,092	44,092
IV Therapy		28,961	28,961
Nursing Service	\$ 227,236	81,065	308,301
Social Service	-	9,922	9,922
Activities	-	2,375	2,375
Dietary	21,961	42,108	64,069
Plant Operations	-	79,807	79,807
Housekeeping	43,664	12,239	55,903
Laundry and Linen	7,277	5,135	12,412
Medical Records	6,731	2,977	9,708
Adminstrative and General	-	72,639	72,639
Totals	<u>\$ 306,869</u>	<u>\$ 977,255</u>	<u>\$ 1,284,124</u>

NHC Healthcare, Cookeville
10 Bed Addition

PROJECTED DATA CHART

Existing 94 Beds

Give information for the two (2) years following completion of this proposal. The fiscal year begins in November (Month).

	Apr-19	Apr-20
A. Utilization Data (Specify unit of measure) (Patient Days)	31,573	31,573
(Specify unit of measure) (% Occupancy)	92.02%	92.02%
B. Revenue from Services to Patients		
1. Inpatient Services	\$13,204,712	\$13,574,444
2. Outpatient Services		
3. Emergency Services		
4. Other Operating Revenue (Specify)	\$7,899	\$8,120
Gross Operating Revenue	\$ 13,212,611	\$ 13,582,564
C. Deductions for Operating Revenue		
1. Contractual Adjustments	\$ (3,476,175)	(\$3,573,507)
2. Provision for Charity Care	(93,244)	(95,575)
3. Provisions for Bad Debt	(14,076)	(14,428)
Total Deductions	\$ (3,583,495)	\$ (3,683,510)
NET OPERATING REVENUE	\$ 9,629,116	\$ 9,899,054
D. Operating Expenses		
1. Salaries and Wages	\$ 3,451,861	\$ 3,538,157
2. Physician's Salaries and Wages	53,276	54,607
3. Supplies	166,326	170,484
4. Taxes	41,774	42,819
5. Depreciation	232,438	232,438
6. Rent		
7. Interest, other than Capital		
8. Management Fees		
a. Fees to Affiliates	577,747	593,943
b. Fees to Non-Affiliates		
9. Other Expenses (Specify) - SEE ATTACHED SCHEDULE	4,969,417	5,118,500
Total Operating Expenses	\$ 9,492,839	\$ 9,750,948
E. Other Revenue (Expenses)--Net (Specify)		
NET OPERATING INCOME (LOSS)	\$ 136,277	\$ 148,105
F. Capital Expenditure		
1. Retirement of Principal		
2. Interest	113,534	113,534
Total Capital Expenditures	\$ 113,534	\$ 113,534
NET OPERATING INCOME (LOSS)		
LESS CAPITAL EXPENDITURES	\$ 22,743	\$ 34,571

PROJECTED DATA CHART SUPPLEMENT
NHC HealthCare, Cookeville
PROJECTED DATA
YEAR 1 94 Beds

	<u>Salaries</u>	<u>Other</u>	<u>Total</u>
Inhalation Therapy		\$ 74,523	\$ 74,523
Occupational Therapy	-	496,724	496,724
Physical Therapy	62,076	833,464	895,540
Speech Pathology	-	154,752	154,752
Pharmacy		717,147	717,147
Lab and Radiology		55,877	55,877
IV Therapy		104,494	104,494
Nursing Service	2,309,698	755,355	3,065,054
Social Service	130,728	66,329	197,057
Activities	46,515	28,610	75,125
Dietary	226,581	353,845	580,426
Plant Operations	77,357	227,656	305,013
Housekeeping	128,687	48,561	177,248
Laundry and Linen	81,253	45,391	126,644
Medical Records	61,361	25,643	87,005
Adminstrative and General	<u>327,604</u>	<u>981,046</u>	<u>1,308,650</u>
Totals	<u><u>\$3,451,861</u></u>	<u><u>\$4,969,417</u></u>	<u><u>\$ 8,421,278</u></u>

PROJECTED DATA CHART SUPPLEMENT
NHC HealthCare, Cookeville
PROJECTED DATA
YEAR 2 94 Beds

	<u>Salaries</u>	<u>Other</u>	<u>Total</u>
Inhalation Therapy	-	76,759	\$ 76,759
Occupational Therapy	-	511,626	511,626
Physical Therapy	63,628	858,468	922,096
Speech Pathology	-	159,395	159,395
Pharmacy	-	738,661	738,661
Lab and Radilology	-	57,553	57,553
IV Therapy	-	107,629	107,629
Nursing Service	2,367,441	778,016	3,145,457
Social Service	133,997	68,318	202,315
Activities	47,678	29,468	77,146
Dietary	232,245	364,460	596,706
Plant Operations	79,291	234,486	313,777
Housekeeping	131,904	50,018	181,922
Laundry and Linen	83,284	46,753	130,037
Medical Records	62,895	26,413	89,308
Adminstrative and General	<u>335,794</u>	<u>1,010,477</u>	<u>1,346,272</u>
Totals	<u>\$ 3,538,157</u>	<u>\$ 5,118,500</u>	<u>\$ 8,656,657</u>

NHC Healthcare, Cookeville
10 Bed Addition

PROJECTED DATA CHART

94 Existing Beds and 10 Bed Addition

Give information for the two (2) years following completion of this proposal. The fiscal year begins in November (Month).

	<u>Apr-19</u>	<u>Apr-20</u>
A. Utilization Data (Specify unit of measure) (Patient Days)	34,692	35,044
(Specify unit of measure) (% Occupancy)	91.39%	92.32%
B. Revenue from Services to Patients		
1. Inpatient Services	\$15,180,036	\$15,860,676
2. Outpatient Services		
3. Emergency Services		
4. Other Operating Revenue (Specify)	\$7,899	\$8,120
Gross Operating Revenue	\$ 15,187,935	\$ 15,868,796
C. Deductions for Operating Revenue		
1. Contractual Adjustments	\$ (4,036,467)	\$ (4,253,485)
2. Provision for Charity Care	(96,510)	(99,282)
3. Provisions for Bad Debt	(17,883)	(18,750)
Total Deductions	\$ (4,150,860)	\$ (4,371,517)
NET OPERATING REVENUE	\$ 11,037,075	\$ 11,497,279
D. Operating Expenses		
1. Salaries and Wages	\$ 3,750,451	\$ 3,845,026
2. Physician's Salaries and Wages	58,777	60,272
3. Supplies	198,777	207,681
4. Taxes	60,574	62,183
5. Depreciation	396,136	396,136
6. Rent	-	-
7. Interest, other than Capital	-	-
8. Management Fees	-	-
a. Fees to Affiliates	645,635	669,330
b. Fees to Non-Affiliates	-	-
9. Other Expenses (Specify) - SEE ATTACHED SCHEDULE	5,831,238	6,095,755
Total Operating Expenses	\$ 10,941,588	\$ 11,336,383
E. Other Revenue (Expenses)--Net (Specify)		
NET OPERATING INCOME (LOSS)	\$ 95,487	\$ 160,895
F. Capital Expenditure		
1. Retirement of Principal		
2. Interest	113,534	113,534
Total Capital Expenditures	\$ 113,534	\$ 113,534
NET OPERATING INCOME (LOSS)		
LESS CAPITAL EXPENDITURES	\$ (18,047)	\$ 47,361

PROJECTED DATA CHART SUPPLEMENT
NHC HealthCare, Cookeville
PROJECTED DATA
YEAR 1 94 Existing Beds plus 10 Bed Addition

	<u>Salaries</u>	<u>Other</u>	<u>Total</u>
Inhalation Therapy	-	96,413	\$ 96,413
Occupational Therapy	-	655,353	655,353
Physical Therapy	62,076	991,860	1,053,936
Speech Pathology	-	154,886	154,886
Pharmacy	-	906,540	906,540
Lab and Radiology	-	94,344	94,344
IV Therapy	-	129,760	129,760
Nursing Service	2,530,597	832,469	3,363,067
Social Service	130,728	74,985	205,713
Activities	46,515	32,821	79,336
Dietary	248,006	391,029	639,035
Plant Operations	77,357	306,877	384,234
Housekeeping	171,286	60,102	231,388
Laundry and Linen	88,353	50,013	138,366
Medical Records	67,928	28,299	96,228
Adminstrative and General	<u>327,604</u>	<u>1,025,487</u>	<u>1,353,091</u>
Totals	<u>\$3,750,451</u>	<u>\$5,831,238</u>	<u>\$ 9,581,689</u>

PROJECTED DATA CHART SUPPLEMENT

NHC HealthCare, Cookeville

PROJECTED DATA

YEAR 2

94 Existing Beds plus 10 Bed Addition

	Salaries	Other	Total
Inhalation Therapy	-	101,851	\$ 101,851
Occupational Therapy	-	674,357	674,357
Physical Therapy	63,628	1,049,336	1,112,964
Speech Pathology	-	159,548	159,548
Pharmacy	-	955,752	955,752
Lab and Radilology	-	101,645	101,645
IV Therapy	-	136,590	136,590
Nursing Service	2,594,677	859,081	3,453,758
Social Service	133,997	78,240	212,237
Activities	47,678	31,843	79,521
Dietary	254,206	406,568	660,775
Plant Operations	79,291	314,293	393,584
Housekeeping	175,568	62,257	237,825
Laundry and Linen	90,561	51,888	142,449
Medical Records	69,626	29,390	99,016
Adminstrative and General	335,794	1,083,116	1,418,911
Totals	<u>\$3,845,026</u>	<u>\$6,095,755</u>	<u>\$ 9,940,781</u>

NHC HealthCare, Cookeville
OCCUPANCY SUMMARY
FILL RATE = 4 NET PATIENTS PER MONTH

MONTH	CENSUS AT BEGINNING OF MONTH	NET INCREASE IN PATIENTS	CENSUS AT END OF MONTH	AVERAGE CENSUS FOR MONTH	DAYS IN MONTH	PATIENT DAYS	PATIENT DAYS AVAILABLE	% OCCUPANCY
May-18	0.00	4.00	4.00	2.00	31	62	310	20.00%
Jun-18	4.00	4.00	8.00	6.00	28	168	280	60.00%
Jul-18	8.00	1.50	9.50	8.75	31	271	310	87.42%
Aug-18	9.50	0.00	9.50	9.50	30	285	300	95.00%
Sep-18	9.50	0.00	9.50	9.50	31	295	310	95.16%
Oct-18	9.50	0.00	9.50	9.50	30	285	300	95.00%
Nov-18	9.50	0.00	9.50	9.50	31	295	310	95.16%
Dec-18	9.50	0.00	9.50	9.50	31	295	310	95.16%
Jan-19	9.50	0.00	9.50	9.50	30	285	300	95.00%
Feb-19	9.50	0.00	9.50	9.50	31	295	310	95.16%
Mar-19	9.50	0.00	9.50	9.50	30	285	300	95.00%
Apr-19	9.50	0.00	9.50	9.50	31	298	310	96.13%
YEAR 1	0.00	9.50	9.50		365	3,119	3,650	85.45%
May-19	9.50	0.00	9.50	9.50	31	295	310	95.16%
Jun-19	9.50	0.00	9.50	9.50	28	266	280	95.00%
Jul-19	9.50	0.00	9.50	9.50	31	295	310	95.16%
Aug-19	9.50	0.00	9.50	9.50	30	285	300	95.00%
Sep-19	9.50	0.00	9.50	9.50	31	295	310	95.16%
Oct-19	9.50	0.00	9.50	9.50	30	285	300	95.00%
Nov-19	9.50	0.00	9.50	9.50	31	295	310	95.16%
Dec-19	9.50	0.00	9.50	9.50	31	295	310	95.16%
Jan-20	9.50	0.00	9.50	9.50	30	285	300	95.00%
Feb-20	9.50	0.00	9.50	9.50	31	295	310	95.16%
Mar-20	9.50	0.00	9.50	9.50	30	285	300	95.00%
Apr-20	9.50	0.00	9.50	9.50	31	295	310	95.16%
YEAR 2	9.50	0.00	9.50		365	3,471	3,650	95.10%

PROJECTED REVENUES (TOTAL FACILITY) FOR NURSING HOME PROJECTS PAGE 1	PROJECTED OPERATING YEAR 1 ENDING										Apr-19	
	PVT -PVT (1)	SP - Comp (2)	Semi PVT (3)	Medicaid (4)	MEDICARE (5)	Managed Care (6)	Hospice (7)	MEDICARE PART B (8)	MISC (9)	RESTRICTED GRANTS & DONATIONS (10)	NON NURSING HOME REVENUE (11)	TOTAL (12)
1 ROUTINE SERVICES					620,748	155,249	-					775,997
2 PHYSICAL THERAPY					377,892	94,980						472,872
3 SPEECH THERAPY					61,427	14,989						76,416
4 OCCUPATIONAL THERAPY					277,909	71,388						349,297
5 MEDICAL SERVICES/TRANSPORTATION					24,822	6,212	-					31,034
6 MEDICAL SUPPLIES					10,982	3,272						14,254
7 PHARMACY					147,429	50,253						197,682
8 LAB					8,948	2,531						11,479
9 RADIOLOGY/MEDICAL SERVICES					5,236	877						6,113
10 OTHER - INHALATION THERAPY					5,356	1,849	-					7,205
10 OTHER ANCILLARY - IV THERAPY					24,353	8,178						32,531
11 UNRESTRICTED GRANTS/DONATIONS												
12 OUTPATIENT CLINIC												
13 OTHER NURSING HOME REVENUE												
14 ALLOWANCE FOR BAD DEBTS												
15 CONTRACTUAL ADJUSTMENTS					(5,779)	(1,294)						444
16 PRIVATE ROOM REVENUE					(409,335)	(150,957)	-					(7,073)
17 TOTAL NURSING HOME REVENUE					1,149,988	257,527	-					(560,292)
18 TOTAL RESTRICTED GRANTS/DONATIONS												
19 NON NURSING HOME REVENUES												1,407,959
20 TOTAL REVENUE					1,149,988	257,527	-					1,407,959
22 % OF NURSING HOME REVENUE					81.68%	18.29%						100.00%
23 PATIENT DAYS					2,495	624						3,119
24 % OF PATIENT DAYS					80.00%	20.00%						100.00%
25 REVENUE PER PATIENT DAY					460.92	412.70						451.41
26 TOTAL NUMBER NURSING HOME BEDS												10
27 TOTAL NUMBER OTHER BEDS												
28 AVERAGE OCCUPANCY NURSING HOME												85.45%
29 AVERAGE OCCUPANCY OTHER												

PROJECTED REVENUES (TOTAL FACILITY) FOR NURSING HOME PROJECTS PAGE 2	PROJECTED OPERATING YEAR 2 ENDING										Apr-20	
	PVT -PVT (1)	SP - Comp (2)	Semi PVT (3)	ICF Mcaid (4)	MEDICARE (5)	Managed Care (6)	Hospice (7)	MEDICARE PART B (8)	MISC (9)	RESTRICTED GRANTS & DONATIONS (10)	NON NURSING HOME REVENUE (11)	TOTAL (12)
1 ROUTINE SERVICES					718,545	179,572						898,117
2 PHYSICAL THERAPY					437,377	109,930						547,307
3 SPEECH THERAPY					71,093	17,348						88,441
4 OCCUPATIONAL THERAPY					321,644	82,623						404,267
5 MEDICAL SERVICES/TRANSPORTATION					28,734	7,191						35,925
6 MEDICAL SUPPLIES					12,702	3,785						16,487
7 PHARMACY					170,643	58,166						228,809
8 LAB					10,363	2,931						13,294
9 RADIOLOGY/MEDICAL SERVICES					6,065	1,016						7,081
10 OTHER - INHALATION THERAPY					6,192	2,138						8,330
11 UNRESTRICTED GRANTS/DONATIONS					28,192	9,468						37,660
12 OUTPATIENT CLINIC												
13 OTHER NURSING HOME REVENUE												
14 ALLOWANCE FOR BAD DEBTS					(6,561)	(1,468)			514			514
15 CONTRACTUAL ADJUSTMENTS					(499,422)	(180,556)						(8,029)
16 PRIVATE ROOM REVENUE												(879,978)
17 TOTAL NURSING HOME REVENUE					1,305,567	292,144			514			1,598,225
18 TOTAL RESTRICTED GRANTS/DONATIONS												
19 NON NURSING HOME REVENUES												
20 TOTAL REVENUE					1,305,567	292,144			514			1,598,225
22 % OF NURSING HOME REVENUE					81.69%	18.28%			0.03%			100.00%
23 PATIENT DAYS					2,777	694						3,471
24 % OF PATIENT DAYS					80.00%	20.00%						100.00%
25 REVENUE PER PATIENT DAY					470.14	420.96			0.15			460.45
26 TOTAL NUMBER NURSING HOME BEDS												10
27 TOTAL NUMBER OTHER BEDS												
28 AVERAGE OCCUPANCY NURSING HOME												95.10%
29 AVERAGE OCCUPANCY OTHER												

EFFECT ON PATIENT CHARGE RATES (TOTAL FACILITY)

Patient Charge/Reimbursement type:	Present Charge per Patient Day	Projected Charge per Patient Day During Construction	Projected Charge per Patient Day Year 1	Projected Charge per Patient Day Year 2
Private/Private pay	-		-	-
Semi-private/Private pay			248.80	258.75
Semi Private - Companion			-	-
Medicare Reimbursement	440.11		463.23	472.50
ICF Medicaid			-	-
Managed Care	396.03		414.78	423.07
Hospice				

NHC HealthCare, Cookeville
ESTIMATED PPS PAYMENTS

<u>PROJECTED PPS RATE</u>	<u>PERIOD</u>	2.00%
440.11	10/1/15 - 9/30/16	
448.91	10/1/16 - 9/30/17	2% Increase
457.89	10/1/17 - 9/30/18	2% Increase
467.05	10/1/18 - 9/30/19	2% Increase
476.39	10/1/19 - 9/30/20	2% Increase

YEAR 1 = 5/18 - 4/19

	<u># OF MONTHS IN PERIOD</u>	<u>PPS RATE FOR PERIOD</u>	<u>YEAR 1 PROJECTED PPS RATE</u>
10/1/17 - 9/30/18	5	457.89	190.79
10/1/18 - 9/30/19	7	467.05	272.45
	<u>12</u>		<u>463.23</u>

YEAR 2 = 5/19 - 4/20

	<u># OF MONTHS IN PERIOD</u>	<u>PPS RATE FOR PERIOD</u>	<u>YEAR 2 PROJECTED PPS RATE</u>
10/1/18 - 9/30/19	5	467.05	194.60
10/1/19 - 9/30/20	7	476.39	277.89
	<u>12</u>		<u>472.50</u>

NHC HealthCare, Cookeville

ESTIMATED PPS PAYMENTS - 10/1/15 - 9/30/16

<u>RUGS Category</u>	<u>Therapy Minutes</u>	<u>Rate</u>	<u>% of Medicare Residents in RUGS Category</u>	<u>Estimated Medicare Reimbursement</u>
RUX	720	655.29	0.17%	1.11
RUL	720	641.95	1.02%	6.55
RVX	500	575.76	0.25%	1.44
RVL	500	519.76	0.29%	1.53
RHX	325	515.63	0.14%	0.70
RHL	325	462.29		-
RMX	150	468.60		-
RML	150	431.26		-
RLX	45	407.86		-
RUC	720	507.27	23.94%	121.44
RUB	720	507.27	32.37%	164.22
RUA	720	431.26	5.23%	22.54
RVC	500	429.08	8.38%	35.94
RVB	500	375.74	10.94%	41.10
RVA	500	374.41	3.04%	11.37
RHC	325	368.95	1.12%	4.14
RHB	325	334.28	1.65%	5.53
RHA	325	296.94	0.31%	0.91
RMC	150	320.58	0.15%	0.47
RMB	150	301.92	0.42%	1.27
RMA	150	251.24	0.05%	0.11
RLB	45	306.52		-
RLA	45	201.17		-
ES3		564.73		-
ES2		443.39		-
ES1		396.71	0.52%	2.07
HE2		383.38		-
HE1		319.36	0.90%	2.86
HD2		359.37		-
HD1		300.70	0.48%	1.43
HC2		339.37		-
HC1		284.69	1.27%	3.61
HB2		335.37		-
HB1		282.03	0.18%	0.51
LE2		348.70		-
LE1		292.70	0.58%	1.69
ID2		335.37		-
ID1		282.03	1.14%	3.23
IC2		295.37		-
IC1		250.03	1.29%	3.23
IB2		280.70		-
IB1		239.35		-
CE2		311.37	0.06%	0.18
CE1		287.37	0.40%	1.14
CD2		295.37		-
CD1		271.36	0.73%	1.97
CC2		259.36		-
CC1		240.69	1.04%	2.51
CB2		240.69		-
CB1		223.36	0.11%	0.25
CA2		204.69		-
CA1		191.35	0.59%	1.13
BB2		216.69		-
BB1		207.36		-
BA2		180.68		-
BA1		172.69		-
PE2		287.37		-
PE1		274.03	0.18%	0.50
PD2		271.36		-
PD1		258.03	0.29%	0.76
PC2		234.02	0.16%	0.37
PC1		223.36	0.44%	0.99
PB2		199.36		-
PB1		191.35		-
PA2		166.01		-
PA1		159.35	0.18%	0.29
DEFAULT RATE		159.35		-
Projected Medicare Reimbursement			100.00%	449.09

Less: 2% Sequestration 440.11

NHC HealthCare, Cookeville
10 Bed Addition
Expense Projection
Year 1

			Amount In \$'s	Amount Per Day
INHALATION THERAPY			\$ 21,890.34	\$ 7.02
INHALATION THERAPY			\$ -	\$ -
TOTAL INHALATION THERAPY			21,890.34	7.02
MEDICAL SUPPLIES			\$ 23,494.52	7.53
MEDICAL SUPPLIES			-	-
MEDICAL SUPPLIES			23,494.52	7.53
PHARMACY			\$ 186,218.28	59.70
PHARMACY			-	-
TOTAL PHARMACY			186,218.28	59.70
IV THERAPY			\$ 25,265.80	8.10
IV THERAPY			-	-
TOTAL IV THERAPY			25,265.80	8.10
LABORATORY			\$ 11,964.49	3.84
RADIOLOGY/Medical Services			\$ 26,502.35	8.50
PHYSICAL THERAPY	FTE	108.59% Rate		
Purchased Service - RPT	0.50	68.87	71,624.80	22.96
Purchased Service - LPTA	0.75	55.09	85,935.20	27.55
Purchased Service - Aides			-	-
ETO & SICK DAYS			-	-
PAYROLL TAXES			-	-
OTHER FRINGE			-	-
OTHER			835.51	0.27
TOTAL PHYSICAL THERAPY			158,395.51	50.78
OCCUPATIONAL THERAPY				
Purchased Service - OTR	0.50	68.87	71,624.80	22.96
Purchased Service - COTA	0.75	55.09	85,935.20	27.55
Purchased Service - Aides			-	-
ETO & SICK DAYS			-	-
PAYROLL TAXES			-	-
OTHER FRINGE			-	-
OTHER			1,069.45	0.34
TOTAL OCCUPATIONAL THERAPY			158,629.45	50.86
SPEECH THERAPY				
Purch Serv - SLP-CCC		68.87	-	-
Purch Serv - STA			-	-
Purchased Service - Aides			-	-
ETO & SICK DAYS			-	-
PAYROLL TAXES			-	-
OTHER FRINGE			-	-
OTHER			133.68	0.04
TOTAL SPEECH THERAPY			133.68	0.04
TOTAL ANCILLARY EXPENSES			612,494.41	196.38
NURSING SERVICE				
ICF RN			\$ -	-
ICF LPN			-	-
ICF AIDES			-	-
SNF RN			-	-
SNF LPN			123,452.76	39.58
SNF AIDES			97,446.36	31.24
REHAB AIDES			-	-
PAYROLL TAXES			16,296.11	5.22
OTHER FRINGE			8,197.24	2.63
NURSING ADMIN SUPPLIES			2,773.89	0.89
PROFESSIONAL LIABILITY INSURANCE			38,250.00	12.26
			-	-
SMALL EQUIPMENT			2,773.89	0.89
OTHER			8,822.98	2.83
TOTAL NURSING SERVICE			298,013.22	95.54

NHC HealthCare, Cookeville
10 Bed Addition
Expense Projection
Year 1

			Amount In \$'s	Amount Per Day
ROUTINE CENTRAL SUPPLIES			8,956.66	2.87
NON LEGEND DRUGS			3,174.93	1.02
SOCIAL SERVICE	FTE	108.59% Rate		
SALARIES - Director			-	-
SALARIES - Assistant			-	-
PAYROLL TAXES			-	-
OTHER FRINGE			-	-
MANAGEMENT FEE			-	-
OTHER			8,655.87	2.78
TOTAL SOCIAL SERVICE			8,655.87	2.78
ACTIVITIES	FTE	RATE		
SALARIES - Director			-	-
SALARIES - Assistant			-	-
PAYROLL TAXES			-	-
OTHER FRINGE			-	-
MANAGEMENT FEE			-	-
OTHER			4,210.65	1.35
TOTAL ACTIVITIES			4,210.65	1.35
DIETARY	FTE	Rate		
SALARIES - Reg Dietitian			-	-
SALARIES - Supervisor			-	-
SALARIES - Cooks	0.35	12.24	8,352.23	2.68
SALARIES - Aides	0.70	9.58	13,073.05	4.19
ETO & SICK DAYS - 8%			1,714.02	0.55
PAYROLL TAXES			1,710.15	0.55
OTHER FRINGE			806.67	0.26
FOOD			26,736.29	8.57
MANAGEMENT FEE			-	-
SUPPLIES			3,041.25	0.98
OTHER			3,174.93	1.02
TOTAL DIETARY			58,608.61	18.79
PLANT OPERATIONS				
SALARIES - Supervisor			-	-
SALARIES - Assistant			-	-
PAYROLL TAXES			-	-
OTHER FRINGE			-	-
UTILITIES			70,177.00	22.50
REPAIRS & MAINTENANCE			3,776.50	1.21
GROUND MAINTENANCE			5,000.00	1.60
MANAGEMENT FEE			-	-
OTHER			267.36	0.09
TOTAL PLANT OPERATIONS			79,220.86	25.40
HOUSEKEEPING				
SALARIES - Supervisor			-	-
SALARIES - Staff	2.10	10.40	42,598.58	13.66
ETO & SICK - 8%			3,407.89	1.09
PAYROLL TAXES			3,058.94	0.98
OTHER FRINGE			1,699.41	0.54
SUPPLIES			2,339.43	0.75
MANAGEMENT FEE			-	-
OTHER			1,036.03	0.33
TOTAL HOUSEKEEPING			54,140.28	17.36

NHC HealthCare, Cookeville
10 Bed Addition
Expense Projection
Year 1

			Amount In \$'s	Amount Per Day
LAUNDRY AND LINEN				
			-	-
SALARIES - Supervisor			-	-
SALARIES - Staff	0.35	10.40	7,099.76	2.28
ETO & SICK - 8%			567.98	0.18
PAYROLL TAXES			569.18	0.18
OTHER FRINGE			209.70	0.07
SUPPLIES & LINEN			2,005.22	0.64
MANAGEMENT FEE			-	-
OTHER			1,269.97	0.41
TOTAL LAUNDRY & LINEN			11,721.82	3.76
MEDICAL SERVICES			5,500.00	1.76
MEDICAL RECORDS				
			-	-
SALARIES - Director			-	-
SALARIES - Staff	0.25	12.63	6,566.88	2.11
PAYROLL TAXES			476.92	0.15
OTHER FRINGE			73.37	0.02
SUPPLIES			434.46	0.14
MANAGEMENT FEE			-	-
OTHER			1,671.02	0.54
TOTAL MEDICAL RECORDS			9,222.66	2.96
ADMINISTRATIVE AND GENERAL				
			-	-
SALARIES - Administrator			-	-
SALARIES - Bookkeeper			-	-
SALARIES - Bookkeeper			-	-
SALARIES - Secretary			-	-
SALARIES - Receptionist			-	-
PAYROLL TAXES			-	-
OTHER FRINGE			-	-
HEALTH INSURANCE			24,864.75	7.97
MANAGEMENT FEES			67,888.00	21.77
PARTNER/PUBLIC RELATIONS			1,671.02	0.54
TELEPHONE			1,704.44	0.55
EDUCATION			-	-
SUPPLIES			1,403.66	0.45
SMALL EQUIPMENT			2,339.43	0.75
STATE TAX FEE			-	-
OTHER			9,424.54	3.02
TOTAL ADMINISTRATIVE EXPENSES			109,295.83	35.04
TOTAL OPERATING EXPENSES			1,263,215.80	405.00
NET OPERATING INCOME			144,743.60	46.41
FIXED EXPENSES				
			-	-
NHR LEASE PAYMENT			-	-
INTEREST - WORKING CAPITAL			-	-
DEPRECIATION			163,698.00	52.48
PROPERTY INSURANCE			3,033.00	0.97
PROPERTY TAXES			18,800.00	6.03
TOTAL FIXED EXPENSES			185,531.00	59.48
TOTAL NURSING HOME COSTS			\$1,448,746.80	\$464.49

DAILY NURSING SERVICE STAFFING PATTERN

CENTER NHC HealthCare, Cookeville

PERIOD: Apr-19

INTERMEDIATE CARE BUDG. OCCUPIED BEDS NSG. STATION									
SHIFT	CATEGORY	NUMBER	HOURS	DAYS PER WEEK	AVERAGE HOURS PER DAY	AVERAGE HRS. BY CATEGORY	ETO & SICK %	ETO/SICK HOURS	TOTAL HOURS
FIRST	DON	10.00	3,650	5	-	-	0.00%	-	-
	RN	8.55	3,119	7	-	-	8.00%	-	-
	LPN			7	-	-	6.00%	-	-
	CNA			7	-	-	5.00%	-	-
SECOND	RN			7	-	-			
	LPN			7	-	-			
	CNA			7	-	-			
				7	-	-			
THIRD	RN			7	-	-			
	LPN			7	-	-			
	CNA			7	-	-			
				7	-	-			
	NURSING SUPPLY CLERK			5	-	-	5.00%	-	-
	NURSING SECRETARY			5	-	-	5.00%	-	-
				5	-	-	0.00%	-	-
	ADON			5	-	-	8.00%	-	-
TOTAL HRS. ICF:					#DRV/01				
HRS. PPD. ICF:									

SKILLED CARE BUDG. OCCUPIED BEDS NSG. STATION									
SHIFT	CATEGORY	NUMBER	HOURS	DAYS PER WEEK	AVERAGE HOURS PER DAY	AVERAGE HRS. BY CATEGORY	ETO & SICK %	ETO/SICK HOURS	TOTAL HOURS
FIRST	DON	10.00	3,650	5	-	-	0.00%	-	-
	RN	8.55	3,119	7	-	-	8.00%	-	-
	LPN			7	-	-	6.00%	-	-
	CNA			7	-	-	5.00%	-	-
SECOND	RN			7	-	-			
	LPN			7	-	-			
	CNA			7	-	-			
				7	-	-			
THIRD	RN			7	-	-			
	LPN			7	-	-			
	CNA			7	-	-			
				7	-	-			
	NURSING SUPPLY CLERK			5	-	-	5.00%	-	-
	NURSING SECRETARY			5	-	-	5.00%	-	-
	ALZHEIMER COORD			7	-	-	8.00%	-	-
	MDS Coordinator			5	-	-	8.00%	-	-
TOTAL HRS. SNF:					38.50				
HRS. PPD. SNF:					4.51				

REHAB AIDES									
(FTE's)	NUMBER OF EMPLOYEES	% OF TURNOVER	NEW EMPLOYEES	ANNUAL ORIENTATION HOURS	DAILY ORIENTATION HOURS	AVG PAY RATE	DAILY TOTAL	MO PAY TOTAL	
RN	2.80	100.00%	2.80	112.00	0.31	\$27.07	-	-	38.50
LPN	4.20	100.00%	4.20	157.50	0.43	\$19.86	6.09 x	182.83	0.74
CNA		100.00%				\$11.25	4.85 x	145.63	39.24
REHAB AIDES	7.00	100.00%	7.00	269.50	0.74		-	-	4.59
TOTAL NURSING SALARIES									\$ 18,408.26

(A) TOTAL HRS. (ICF, SNF, REHAB)	38.50
(B) TOTAL ORIENTATION HOURS	0.74
(C) TOTAL "DIRECT" HOURS	39.24
(D) TOTAL "DIRECT" HOURS PPD	4.59
(E) TOTAL ETO / SICK HOURS	2.09
(F) TOTAL HRS. (C+E)	41.33
(G) TOTAL PATIENT DAYS	8.55
(H) TOTAL HRS. PPD.	4.84

NHC HealthCare, Cookeville

RUGS Category	Therapy Minutes	% of Medicare Residents in RUGS Category	Estimated Year 1 Medicare Part A Days	Estimated Patient Days in RUG Category	Therapy Minutes Required Per Patient Day	Estimated Minutes of Therapy Required
RUX	720	0.17%	2,495	4	103	412
RUL	720	1.02%	2,495	25	103	2,575
RVX	500	0.25%	2,495	6	71	426
RVL	500	0.29%	2,495	7	71	497
RHX	325	0.14%	2,495	3	46	138
RHL	325		2,495	-	46	-
RMX	150		2,495	-	21	-
RML	150		2,495	-	21	-
RLX	45		2,495	-	6	-
RUC	720	23.94%	2,495	597	103	61,491
RUB	720	32.37%	2,495	808	103	83,224
RUA	720	5.23%	2,495	130	103	13,390
RVC	500	8.38%	2,495	209	71	14,839
RVB	500	10.94%	2,495	273	71	19,383
RVA	500	3.04%	2,495	76	71	5,396
RHC	325	1.12%	2,495	28	46	1,288
RHB	325	1.65%	2,495	41	46	1,886
RHA	325	0.31%	2,495	8	46	368
RMC	150	0.15%	2,495	4	21	84
RMB	150	0.42%	2,495	10	21	210
RMA	150	0.05%	2,495	1	21	21
RLB	45		2,495	-	6	-
RLA	45		2,495	-	6	-
ESTIMATED PART A RESIDENTS RECEIVING THERAPY				2,230		

ESTIMATED THERAPY MINUTES REQUIRED FOR PART A RESIDENTS

205,628

ESTIMATED THERAPY STAFF REQUIRED FOR PART A RESIDENTS

1.65

TOTAL MEDICARE RESIDENTS 6.84

TOTAL MANAGED CARE RESIDENTS 1.71

ADDITIONAL THERAPY STAFF FOR MANAGED CARE RESIDENTS

0.41

ESTIMATED PART B AND PRIVATE THERAPY REVENUE

\$ -

ESTIMATED "FEE SCREEN AMOUNT" PER 15 MINUTE PART B TREATMENT

18.75

ESTIMATED PART B TREATMENTS (15 MINUTES PER TREATMENT)

-

ESTIMATED MINUTES REQUIRED FOR PART B TREATMENTS

-

ESTIMATED THERAPY STAFF REQUIRED FOR PART B TREATMENTS

-

ESTIMATED TOTAL THERAPY STAFF REQUIRED FOR PART A, PART B AND MANAGED CARE

2.06

NON PRODUCTIVE FACTOR (20%)

0.41

TOTAL THERAPY STAFF REQUIRED

2.47

PROPOSED THERAPY STAFF					
POSITION	HOURS PPD	PATIENT DAYS	BUDGETD HOURS	BUDGETED STAFF	
OTR	0.3334	9	1,040	0.50	
COTA	0.5002	9	1,560	0.75	
OT AIDES	-	9	-	-	
Purch Service		9			
RPT	0.3334	9	1,040	0.50	
LPTA	0.5002	9	1,560	0.75	
PT AIDES	-	9	-	-	
Purch Service		9			
SLP - CCC	-	9	-	-	
STA	-	9	-	-	
ST AIDE	-	9	-	-	
Purch Service		9			
TOTAL THERAPY STAFF PER BUDGET				2.50	

NHC HealthCare, Cookeville
10 Bed Addition
Expense Projection
Year 2

			Amount In \$'s	Amount Per Day
INHALATION THERAPY			\$ 25,091.64	\$ 7.23
INHALATION THERAPY			-	-
TOTAL INHALATION THERAPY			\$ 25,091.64	\$ 7.23
MEDICAL SUPPLIES			\$ 26,930.41	7.76
MEDICAL SUPPLIES			-	-
TOTAL MEDICAL SUPPLIES			\$ 26,930.41	7.76
PHARMACY			\$ 213,451.28	61.50
PHARMACY			-	-
TOTAL PHARMACY			213,451.28	61.50
IV THERAPY - Medicare/Managed Care			\$ 28,960.73	8.34
IV THERAPY - Private/Medicaid			-	-
TOTAL IV THERAPY			28,960.73	8.34
LABORATORY			13,714.21	3.95
RADIOLOGY			30,378.12	8.75
PHYSICAL THERAPY	FTE	Rate		
Purchased Service - RPT	0.50	70.59	73,417.07	21.15
Purchased Service - LPTA	1.00	56.47	117,450.67	33.84
Purchased Service - Aides	-	-	-	-
ETO & SICK DAYS			-	-
PAYROLL TAXES			-	-
OTHER FRINGE			-	-
OTHER			-	-
TOTAL PHYSICAL THERAPY			190,867.73	54.99
OCCUPATIONAL THERAPY				
Purchased Service - OTR	0.50	70.59	73,417.07	21.15
Purchased Service - COTA	0.75	56.47	88,088.00	25.38
Purchased Service - Aides	-	-	-	-
ETO & SICK DAYS			-	-
PAYROLL TAXES			-	-
OTHER FRINGE			-	-
OTHER			1,225.85	0.35
TOTAL OCCUPATIONAL THERAPY			162,730.92	46.88
SPEECH THERAPY				
Purch Serv - SLP-CCC	-	70.59	-	-
Purch Serv - STA	-	-	-	-
Purchased Service - Aides	-	-	-	-
ETO & SICK DAYS			-	-
PAYROLL TAXES			-	-
OTHER FRINGE			-	-
OTHER			153.23	0.04
TOTAL SPEECH THERAPY			153.23	0.04
TOTAL ANCILLARY EXPENSES			692,278.26	199.45
NURSING SERVICE				
ICF RN			-	-
ICF LPN			-	-
ICF AIDES			-	-
SNF RN			-	-
SNF LPN			127,355.16	36.69
SNF AIDES			99,880.44	28.78
REHAB AIDES			-	-
PAYROLL TAXES			16,763.56	4.83
OTHER FRINGE			8,432.37	2.43
NURSING ADMIN SUPPLIES			3,179.55	0.92
PROFESSIONAL LIABILITY INSURANCE			39,397.50	11.35
			-	-
SMALL EQUIPMENT			3,179.55	0.92
OTHER			10,113.27	2.91
TOTAL NURSING SERVICE			308,301.40	88.82

NHC HealthCare, Cookeville
10 Bed Addition
Expense Projection
Year 2

			Amount In \$'s	Amount Per Day
ROUTINE CENTRAL SUPPLIES			10,266.50	2.96
NON LEGEND DRUGS			3,639.24	1.05
SOCIAL SERVICE	FTE	111.30% Rate		
SALARIES - Director			-	-
SALARIES - Assistant			-	-
PAYROLL TAXES			-	-
OTHER FRINGE			-	-
MANAGEMENT FEE			-	-
OTHER			9,921.73	2.86
TOTAL SOCIAL SERVICE			9,921.73	2.86
ACTIVITIES	FTE	RATE		
SALARIES - Director			-	-
SALARIES - Assistant			-	-
PAYROLL TAXES			-	-
OTHER FRINGE			-	-
MANAGEMENT FEE			-	-
OTHER			2,375.09	0.68
TOTAL ACTIVITIES			2,375.09	0.68
DIETARY	FTE	Rate		
SALARIES - Reg Dietitian			-	-
SALARIES - Supervisor			-	-
SALARIES - Cooks	0.35	12.54	8,561.03	2.47
SALARIES - Aides	0.70	9.82	13,399.88	3.86
ETO & SICK DAYS - 8%			1,756.87	0.51
PAYROLL TAXES			1,752.90	0.51
OTHER FRINGE			826.84	0.24
FOOD			30,646.27	8.83
MANAGEMENT FEE			-	-
SUPPLIES			3,486.01	1.00
OTHER			3,639.24	1.05
TOTAL DIETARY			64,069.06	18.46
PLANT OPERATIONS				
SALARIES - Supervisor			-	-
SALARIES - Assistant			-	-
PAYROLL TAXES			-	-
OTHER FRINGE			-	-
UTILITIES			72,282.31	20.82
REPAIRS & MAINTENANCE			2,068.62	0.60
GROUND MAINTENANCE			5,150.00	1.48
MANAGEMENT FEE			-	-
OTHER			306.46	0.09
TOTAL PLANT OPERATIONS			79,807.40	22.99
HOUSEKEEPING				
SALARIES - Supervisor			-	-
SALARIES - Staff	2.10	10.66	43,663.55	12.58
ETO & SICK - 8%			3,493.08	1.01
PAYROLL TAXES			3,135.41	0.90
OTHER FRINGE			1,741.90	0.50
SUPPLIES			2,681.55	0.77
MANAGEMENT FEE			-	-
OTHER			1,187.54	0.34
TOTAL HOUSEKEEPING			55,903.03	16.11

NHC HealthCare, Cookeville
10 Bed Addition
Expense Projection
Year 2

			Amount In \$'s	Amount Per Day
LAUNDRY AND LINEN				
SALARIES - Supervisor			-	-
SALARIES - Staff	0.35	10.66	7,277.26	2.10
ETO & SICK - 8%			582.18	0.17
PAYROLL TAXES			583.41	0.17
OTHER FRINGE			214.94	0.06
SUPPLIES & LINEN			2,298.47	0.66
MANAGEMENT FEE			-	-
OTHER			1,455.70	0.42
TOTAL LAUNDRY & LINEN			12,411.96	3.58
MEDICAL SERVICES			5,665.00	1.63
MEDICAL RECORDS				
SALARIES - Director			-	-
SALARIES - Staff	0.25	12.94	6,731.05	1.94
PAYROLL TAXES			488.85	0.14
OTHER FRINGE			75.21	0.02
SUPPLIES			498.00	0.14
MANAGEMENT FEE			-	-
OTHER			1,915.39	0.55
TOTAL MEDICAL RECORDS			9,708.50	2.80
ADMINISTRATIVE AND GENERAL				
SALARIES - Administrator			-	-
SALARIES - Bookkeeper			-	-
SALARIES - Bookkeeper			-	-
SALARIES - Secretary			-	-
SALARIES - Receptionist			-	-
PAYROLL TAXES			-	-
OTHER FRINGE			-	-
HEALTH INSURANCE			28,501.03	8.21
MANAGEMENT FEES			75,387.00	21.72
PARTNER/PUBLIC RELATIONS			1,915.39	0.55
TELEPHONE			1,755.57	0.51
EDUCATION			-	-
SUPPLIES			1,608.93	0.46
SMALL EQUIPMENT			2,681.55	0.77
STATE TAX FEE			22,250.00	6.41
OTHER			10,802.81	3.11
TOTAL ADMINISTRATIVE EXPENSES			144,902.29	41.75
TOTAL OPERATING EXPENSES			1,399,249.45	403.13
NET OPERATING INCOME			198,975.55	57.33
FIXED EXPENSES				
NHR LEASE PAYMENT			-	-
INTEREST - WORKING CAPITAL			-	-
DEPRECIATION			163,698.00	47.16
PROPERTY INSURANCE			3,123.99	0.90
PROPERTY TAXES			19,364.00	5.58
TOTAL FIXED EXPENSES			186,185.99	53.64
TOTAL NURSING HOME COSTS			\$1,585,435.44	\$456.77

DAILY NURSING SERVICE STAFFING PATTERN

CENTER NHC HealthCare, Cookeville

PERIOD: Apr-20

INTERMEDIATE CARE BUDG. OCCUPIED BEDS NSG. STATION														
SHIFT	CATEGORY	NUMBER	HOURS	DAYS PER WEEK	AVERAGE HOURS PER DAY	AVERAGE HRS. BY CATEGORY	ETO & SICK %	ETO/SICK HOURS	TOTAL HOURS	AV. PAY RATE	DAILY TOTAL	AV. DAYS IN MONTH	MO. PAY CATEGORY	
FIRST	DON			5	-	-	0.00% *	-	-	=	=	30	= \$ -	
	RN			7	-	-	8.00% *	-	-	=	=	30	=	
	LPN			7	-	-	6.00% *	-	-	=	=	30	=	
	CNA			7	-	-	5.00% *	-	-	=	=	30	=	
SECOND	RN			7	-	-		-	-	=	=		=	
	LPN			7	-	-		-	-	=	=		=	
	CNA			7	-	-		-	-	=	=		=	
				7	-	-		-	-	=	=		=	
THIRD	RN			7	-	-		-	-	=	=		=	
	LPN			7	-	-		-	-	=	=		=	
	CNA			7	-	-		-	-	=	=		=	
				7	-	-		-	-	=	=		=	
	NURSING SUPPLY CLERK		-	5	-	-	5.00% *	-	-	=	=	30	=	
	NURSING SECRETARY		-	5	-	-	5.00% *	-	-	=	=	30	=	
	ALZHEIMER DIRECTOR		-	5	-	-	0.00% *	-	-	=	=	30	=	
	ADON		-	5	-	-	8.00% *	-	-	=	=	30	=	
TOTAL HRS. ICF:														
HRS. PPD. ICF:														
#DIV/0!														

SKILLED CARE BUDG. OCCUPIED BEDS NSG. STATION				95.10%									
SHIFT	CATEGORY	NUMBER	HOURS	DAYS PER WEEK	AVERAGE HOURS PER DAY	AVERAGE HRS. BY CATEGORY	ETO & SICK %	ETO/SICK HOURS	TOTAL HOURS	AV. PAY RATE	DAILY TOTAL	AV. DAYS IN MONTH	MO. PAY CATEGORY
FIRST	DON	10.00	3,650	5	-	-	0.00% *	-	-	=	=	30	= \$ -
	RN	9.51	3,471	7	-	-	8.00% *	-	-	=	=	30	=
	LPN			7	-	-	6.00% *	-	-	=	=	30	=
	CNA	1.00	8.00	7	8.00	16.00	6.00% *	0.96	16.96	=	345.25	30	= 10,357.50
		1.00	7.50	7	7.50	22.50	5.00% *	1.13	23.63	=	272.47	30	= 8,174.10
SECOND	RN			7	-	-							
	LPN	1.00	8.00	7	8.00								
	CNA	1.00	7.50	7	7.50								
				7									
				7									
THIRD	RN			7	-	-							
	LPN			7									
	CNA	1.00	7.50	7	7.50								
				7									
				7									
NURSING SUPPLY CLERK				5	-	-	5.00% *	-	-	=	=	30	=
NURSING SECRETARY				5	-	-	5.00% *	-	-	=	=	30	=
MDS Coord				5	-	-	8.00% *	-	-	=	=	30	=
ALZHEIMER COORD				7	-	-	8.00% *	-	-	=	=	30	=
ADON				5	-	-	8.00% *	-	-	=	=	30	=
TOTAL HRS. SNF:					38.50			2.09					
HRS. PPD. SNF:					4.05								\$ 18,531.60

REHAB AIDES										7		5.00%		=		30		\$	
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(A) TOTAL HRS. (ICF, SNF, REHAB)	38.50
(B) TOTAL ORIENTATION HOURS	0.74
(C) TOTAL "DIRECT" HOURS	39.24
(D) TOTAL "DIRECT" HOURS PPD	4.13
(E) TOTAL ETO / SICK HOURS	2.09
(F) TOTAL HRS. (C+E)	41.33
(G) TOTAL PATIENT DAYS	9.51
(H) TOTAL HRS. PPD.	4.35

NHC HealthCare, Cookeville

RUGS Category	Therapy Minutes	% of Medicare Residents in RUGS Category	Estimated Year 2 Medicare Part A Days	Estimated Patient Days in RUG Category	Therapy Minutes Required Per Patient Day	Estimated Minutes of Therapy Required
RUX	720	0.17%	2,777	5	103	515
RUL	720	1.02%	2,777	28	103	2,884
RVX	500	0.25%	2,777	7	71	497
RVL	500	0.29%	2,777	8	71	568
RHX	325	0.14%	2,777	4	46	184
RHL	325		2,777	-	46	-
RMX	150		2,777	-	21	-
RML	150		2,777	-	21	-
RLX	45		2,777	-	6	-
RUC	720	23.94%	2,777	665	103	68,495
RUB	720	32.37%	2,777	899	103	92,597
RUA	720	5.23%	2,777	145	103	14,935
RVC	500	8.38%	2,777	233	71	16,543
RVB	500	10.94%	2,777	304	71	21,584
RVA	500	3.04%	2,777	84	71	5,964
RHC	325	1.12%	2,777	31	46	1,426
RHB	325	1.65%	2,777	46	46	2,116
RHA	325	0.31%	2,777	8	46	368
RMC	150	0.15%	2,777	4	21	84
RMB	150	0.42%	2,777	12	21	252
RMA	150	0.05%	2,777	1	21	21
RLB	45		2,777	-	6	-
RLA	45		2,777	-	6	-
ESTIMATED PART A RESIDENTS RECEIVING THERAPY				2,484		

ESTIMATED THERAPY MINUTES REQUIRED FOR PART A RESIDENTS
ESTIMATED THERAPY STAFF REQUIRED FOR PART A RESIDENTS

229,033
1.84

TOTAL MEDICARE RESIDENTS 7.61
TOTAL MANAGED CARE RESIDENTS 1.90
ADDITIONAL THERAPY STAFF FOR MANAGED CARE RESIDENTS

0.46

ESTIMATED PART B AND PRIVATE THERAPY REVENUE \$ -
ESTIMATED "FEE SCREEN AMOUNT" PER 15 MINUTE PART B TREATMENT 18.75
ESTIMATED PART B TREATMENTS (15 MINUTES PER TREATMENT) -
ESTIMATED MINUTES REQUIRED FOR PART B TREATMENTS -
ESTIMATED THERAPY STAFF REQUIRED FOR PART B TREATMENTS -
ESTIMATED TOTAL THERAPY STAFF REQUIRED FOR PART A, PART B AND MANAGED CARE 2.30
NON PRODUCTIVE FACTOR (20%) 0.46
TOTAL THERAPY STAFF REQUIRED 2.76

PROPOSED THERAPY STAFF				
POSITION	HOURS PPD	PATIENT DAYS	BUDGETD HOURS	BUDGETED STAFF
OTR	0.2996	10	1,040	0.50
COTA	0.4494	10	1,560	0.75
OT AIDES	-	10	-	-
Purch Service		10		
RPT	0.2996	10	1,040	0.50
LPTA	0.5993	10	2,080	1.00
PT AIDES	-	10	-	-
Purch Service		10		
SLP - CCC	-	10	-	-
STA	-	10	-	-
ST AIDE	-	10	-	-
Purch Service		10		
TOTAL THERAPY STAFF PER BUDGET				2.75

NHC HealthCare, Cookeville
Applicant's Projected Payor Mix by Level of Care

YEAR 1									
Payor/Care Level	Patient Admissions	Days of Care	Average Daily Census	Gross Revenue	Cont Adj/ Bad Debt	Net Revenue	% of Total Revenue	PPD	
Medicare/Skilled Care	88	2,495	6.84	1,565,102	(415,114)	1,149,988	81.68%	460.92	
Managed Care/Insurance	22	624	1.71	409,778	(152,251)	257,527	18.29%	412.70	
Tenn Care Skilled	-	-	-	-	-	-	-	-	
Private Pay - Skilled	-	-	-	-	-	-	0.00%	-	
Managed Care/Tenn	-	-	-	-	-	-	0.00%	-	
Care ICF	-	-	-	-	-	-	0.00%	-	
Hospice	-	-	-	-	-	-	0.00%	-	
Private Pay - ICF	0	-	-	-	-	-	0.00%	-	(1)
Medicare Part B	-	-	-	-	-	-	0.03%	0.14	(1)
Other Revenue	-	-	-	444	-	444	100.00%	-	
Total - Skilled	110	3,119	8.55	1,974,880	(567,365)	1,407,515	99.97%	451.27	
Total - ICF	0	-	-	-	-	-	0.00%	-	
Total Other Revenue	-	-	-	444	-	444	0.03%	0.14	
Grand Total	110	3,119	8.55	1,975,324	(567,365)	1,407,959	100.00%	451.41	

YEAR 2									
Payor/Care Level	Patient Admissions	Days of Care	Average Daily Census	Gross Revenue	Cont Adj/ Bad Debt	Net Revenue	% of Total Revenue	PPD	% Inflation
Medicare/Skilled Care	98	2,777	7.61	1,811,550	(505,983)	1,305,567	81.69%	470.14	2.00%
Managed Care/Insurance	25	694	1.90	474,168	(182,024)	292,144	18.28%	420.96	2.00%
Tenn Care Skilled	-	-	-	-	-	-	0.00%	-	
Private Pay - Skilled	-	-	-	-	-	-	0.00%	-	
Managed Care/Tenn	-	-	-	-	-	-	0.00%	-	
Care ICF	-	-	-	-	-	-	0.00%	-	
Hospice	-	-	-	-	-	-	0.00%	-	
Private Pay - ICF	0	-	-	-	-	-	0.00%	-	
Medicare Part B	-	-	-	-	-	-	0.03%	0.15	3.93%
Other Revenue	-	-	-	514	-	514	100.00%	-	
Total - Skilled	123	3,471	9.51	2,285,718	(688,007)	1,597,711	99.97%	460.30	2.00%
Total - ICF	0	-	-	-	-	-	0.00%	-	
Total Other Revenue	-	-	-	514	-	514	0.03%	0.15	3.93%
Grand Total	123	3,471	9.51	2,286,232	(688,007)	1,598,225	100.00%	460.45	2.00%

(1) - Other revenue is divided by total patient days to determine PPD amount.

NHC HealthCare, Cookeville
10 Bed Addition

Staffing - Full Time Equivalents
Year 2

	<u>8 Beds</u>
Administrator	
Medical Director	*
Secretary	
Receptionist	
Bookkeeper	
RN's	
LPN's	2.80
Aides	4.00
DON	
Nursing Supply Clerk	
Nursing Secretary	
MDS Coordinator	
Alzheimer Nursing Coordinator	
ADON	
Rehab Aides	
Assisted Living	
Medical Records - Head	
Medical Records - Staff	0.25
Speech Therapy	*
Occupational Therapy	*
Physical Therapy	*
Dietary	1.05
Laundry	0.35
Housekeeping	2.10
Maintenance - Dept Head	
Maintenance - Staff	
Other (spec.)	
Activities - Dept Head	
Activiteis - Alzheimer	
Activities Staff	
Social Services - Dept Head	
Social Services - Staff	
	<hr/>
Total	10.55

* Consultants

Section C – Economic Feasibility – 6b

Estimated Rates

Putnam County 2014 Nursing Home Rates

	NURSING HOMES	SNF/Medicare (Avg Daily Charge)	2014 Rates					
			Medicaid		Private Pay/Private Room		Private Pay Semi/Pvt	
			Level II	Level I	Level II	Level I	Level II	Level I
1	Bethesda Health Care Center	\$454.00	N/A	\$170.00	\$238.00	\$206.00	\$238.00	\$206.00
2	NHC HealthCare, Cookeville	\$457.00	\$234.00	\$206.00	N/A	N/A	\$234.00	\$206.00
3	Signature Healthcare of Putnam County	\$432.00	\$140.00	\$134.00	\$267.00	N/A	N/A	N/A
4	Standing Stone Care and Rehabilitation C	\$198.00	\$207.00	\$190.00	N/A	\$187.00	N/A	\$187.00
	Average Rates	\$385.25	\$193.67	\$175.00	\$252.50	\$196.50	\$236.00	\$199.67

Source: 2014 Joint Annual Report Schedule H - Financial Data - Daily Charge

Putnam County 2017 Nursing Home Rates

NURSING HOMES	SNF/Medicare (Avg Daily Charge)	2014 Inflated Rates					
		Medicaid		Private Pay/Private Room		Private Pay Semi/Pvt	
		Level II	Level I	Level II	Level I	Level II	Level I
1 Bethesda Health Care Center	\$518.09	N/A	\$194.00	\$271.60	\$235.08	\$271.60	\$235.08
2 NHC HealthCare, Cookeville	\$521.51	\$267.03	\$235.08	N/A	N/A	\$267.03	\$235.08
3 Signature Healthcare of Putnam County	\$492.98	\$159.76	\$152.92	\$304.69	N/A	N/A	N/A
4 Standing Stone Care and Rehabilitation Center	\$225.95	\$236.22	\$216.82	N/A	\$213.40	N/A	\$213.40
Average Rates	\$439.63	\$221.01	\$199.70	\$288.14	\$224.24	\$269.32	\$227.85

Source: 2014 Joint Annual Report Schedule H - Financial Data - Daily Charge Inflated 4.5% to 2017

Putnam County 2018 Nursing Home Rates

	NURSING HOMES	2014 Inflated Rates					
		SNF/Medicare (Avg Daily Charge)	Medicaid		Private Pay/Level II	Private Room Level I	Private Pay Semi/Pvt Level I
1	Bethesda Health Care Center	\$541.40	N/A	\$202.73	\$283.82	\$245.66	\$245.66
2	NHC HealthCare, Cookeville	\$544.98	\$279.05	\$245.66	N/A	N/A	\$245.66
3	Signature Healthcare of Putnam County	\$515.17	\$166.95	\$159.80	\$318.40	N/A	N/A
4	Standing Stone Care and Rehabilitation Center	\$236.12	\$246.85	\$226.58	N/A	\$223.00	\$223.00
	Average Rates	\$459.42	\$230.95	\$208.69	\$301.11	\$234.33	\$238.11

Source: 2014 Joint Annual Report Schedule H - Financial Data - Daily Charge Inflated 4.5% to 2018

Putnam County 2019 Nursing Home Rates

NURSING HOMES	SNF/Medicare (Avg Daily Charge)	Medicaid		2014 Inflated Rates			
		Level II	Level I	Private Pay/Level II	Private Pay/Level I	Private Pay Level II	Private Pay Semi/Pvt Level I
1 Bethesda Health Care Center	\$565.77	N/A	\$211.85	\$296.59	\$256.71	\$296.59	\$256.71
2 NHC HealthCare, Cookeville	\$569.51	\$291.61	\$256.71	N/A	N/A	\$291.61	\$256.71
3 Signature Healthcare of Putnam County	\$538.35	\$174.47	\$166.99	\$332.73	N/A	N/A	N/A
4 Standing Stone Care and Rehabilitation Center	\$246.74	\$257.96	\$236.77	N/A	\$233.04	N/A	\$233.04
Average Rates	\$480.09	\$241.34	\$218.08	\$314.66	\$244.87	\$294.10	\$248.82

Source: 2014 Joint Annual Report Schedule H - Financial Data - Daily Charge Inflated 4.5% to 2019

Section III – Contribution of Orderly Development – 3

Salary Comparison

Nursing	2015 Wages	NHC HealthCare, Cookeville 2019 Average Wages
RN	\$27.20	\$27.07
LPN	\$16.11	\$19.86
C N A	\$9.74	\$11.25

Source: Tennessee Department of Labor & Workforce Development 2015 Occupational Employment and Wages
North Central Tennessee Balance of State

2015 NORTH CENTRAL TENNESSEE BALANCE OF STATE OCCUPATIONAL WAGES

JOB CODE	JOB TITLE	EMPLOY- MENT	HRLY MEAN	ANNUAL MEAN	HRLY ENTRY	HRLY EXPER	RANGE OF WAGES		
							25%	median	75%
25-205	Special Education Teachers, Preschool, Kindergarten, a	290	n/d	\$44,243	n/d	n/h	\$37,880	\$43,345	\$48,685
25-205	Special Education Teachers, Secondary School	100	n/d	\$43,069	n/d	n/h	\$38,744	\$43,204	\$47,437
25-309	Substitute Teachers	*	\$8.34	\$17,346	\$8.26	\$8.38	\$16,821	\$17,936	\$19,051
25-904	Teacher Assistants	1,610	n/d	\$19,472	n/d	n/h	\$17,051	\$18,523	\$20,342
25-119	Vocational Education Teachers, Postsecondary	60	\$24.83	\$51,653	\$21.47	\$26.52	\$45,833	\$52,022	\$57,408
25-203	Vocational Education Teachers, Secondary School	200	n/d	\$42,642	n/d	n/h	\$36,488	\$42,148	\$47,506
27-000	Arts, Design, Entertainment, Sports, and Media Occ	610	\$14.80	\$30,787	\$8.23	\$18.09	\$18,716	\$25,834	\$38,205
27-401	Audio and Video Equipment Technicians	20	\$12.80	\$26,634	\$8.26	\$15.08	\$17,996	\$20,822	\$36,558
27-401	Broadcast Technicians	*	\$11.05	\$22,990	\$8.19	\$12.48	\$16,960	\$18,350	\$19,803
27-202	Coaches and Scouts	130	n/d	\$22,690	n/d	n/h	\$16,852	\$18,433	\$25,019
27-304	Editors	40	\$18.04	\$37,520	\$9.75	\$22.18	\$23,916	\$40,573	\$45,701
27-102	Floral Designers	40	\$11.05	\$22,983	\$9.23	\$11.96	\$20,260	\$22,556	\$25,293
27-102	Graphic Designers	70	\$17.44	\$36,267	\$12.17	\$20.07	\$27,093	\$34,405	\$44,975
27-309	Interpreters and Translators	20	\$17.96	\$37,358	\$14.36	\$19.76	\$32,332	\$35,710	\$39,610
27-204	Musicians and Singers	20	\$13.10	n/d	\$10.41	\$14.45	n/d	n/d	n/d
27-201	Producers and Directors	*	\$18.65	\$38,791	\$8.29	\$23.83	\$18,852	\$27,730	\$37,057
27-303	Public Relations Specialists	20	\$23.03	\$47,910	\$13.81	\$27.65	\$30,267	\$50,957	\$61,540
27-301	Radio and Television Announcers	60	\$13.70	\$28,505	\$8.07	\$16.52	\$17,432	\$20,125	\$37,732
27-302	Reporters and Correspondents	20	\$10.26	\$21,338	\$8.74	\$11.02	\$19,479	\$21,496	\$23,501
27-304	Writers and Authors	*	\$19.33	\$40,215	\$11.34	\$23.33	\$24,499	\$34,253	\$38,768
29-000	Healthcare Practitioners and Technical Occupations	8,080	\$27.35	\$56,890	\$13.48	\$34.29	\$31,794	\$43,350	\$63,548
29-909	Athletic Trainers	*	n/d	\$40,916	n/d	n/h	\$23,784	\$38,261	\$56,102
29-203	Cardiovascular Technologists and Technicians	40	\$18.97	\$39,463	\$11.96	\$22.48	\$27,960	\$35,946	\$53,475
29-101	Chiropractors	20	\$30.03	\$62,459	\$18.87	\$35.61	\$39,067	\$55,371	\$61,332
29-202	Dental Hygienists	100	\$39.62	\$82,400	\$28.01	\$45.42	\$62,009	\$71,193	\$86,791
29-102	Dentists, General	*	\$66.72	\$138,773	\$53.12	\$73.52	\$109,144	\$118,552	\$128,094
29-203	Diagnostic Medical Sonographers	90	\$29.37	\$61,087	\$23.76	\$32.17	\$53,145	\$63,099	\$70,759
29-103	Dietitians and Nutritionists	50	\$22.77	\$47,356	\$18.84	\$24.73	\$41,208	\$45,661	\$52,085
29-204	Emergency Medical Technicians and Paramedics	420	\$13.53	\$28,150	\$9.86	\$15.37	\$21,696	\$25,876	\$34,143
29-106	Family and General Practitioners	20	\$70.85	\$147,358	\$51.21	\$80.66	\$120,361	\$147,773	\$163,495
29-209	Health Technologists and Technicians, All Other	20	\$17.33	\$36,041	\$12.09	\$19.95	\$27,499	\$33,880	\$40,698
29-909	Healthcare Practitioners and Technical Workers, All Oth	120	\$17.06	\$35,486	\$11.82	\$19.68	\$26,274	\$30,745	\$37,822
29-106	Internists, General	30	\$93.41	\$194,289	\$60.96	\$109.63	\$142,095	\$180,301	\$196,568
29-206	Licensed Practical and Licensed Vocational Nurses	1,830	\$16.11	\$33,507	\$13.09	\$17.62	\$29,650	\$33,733	\$37,293
29-203	Magnetic Resonance Imaging Technologists	40	\$28.03	\$58,312	\$22.72	\$30.69	\$50,314	\$58,274	\$68,227
29-201	Medical and Clinical Laboratory Technicians	220	\$16.89	\$35,139	\$11.76	\$19.46	\$28,446	\$35,394	\$42,627
29-201	Medical and Clinical Laboratory Technologists	60	\$26.94	\$56,037	\$20.89	\$29.97	\$48,210	\$55,987	\$65,639
29-207	Medical Records and Health Information Technicians	190	\$15.11	\$31,422	\$9.94	\$17.69	\$22,955	\$27,606	\$36,617

*

2015 NORTH CENTRAL TENNESSEE BALANCE OF STATE OCCUPATIONAL WAGES

JOB CODE	JOB TITLE	EMPLOY- MENT	HRLY MEAN	ANNUAL MEAN	HRLY ENTRY	HRLY EXPER	RANGE OF WAGES		
							25%	median	75%
29-203	Nuclear Medicine Technologists	20	\$29.31	\$60.961	\$23.89	\$32.02	\$54.867	\$63.074	\$70.459
29-117	Nurse Practitioners	200	\$41.85	\$87.047	\$32.41	\$46.57	\$75.815	\$86.071	\$95.957
29-901	Occupational Health and Safety Specialists	30	\$32.07	\$66.699	\$19.53	\$38.33	\$42.590	\$72.802	\$83.396
29-112	Occupational Therapists	70	\$36.61	\$76.149	\$24.67	\$42.58	\$64.712	\$76.983	\$91.717
29-104	Optometrists	30	\$61.20	\$127.304	\$43.66	\$69.98	\$106.381	\$119.579	\$166.682
29-105	Pharmacists	280	\$59.02	\$122.754	\$46.35	\$65.35	\$111.245	\$128.213	\$144.114
29-205	Pharmacy Technicians	580	\$13.27	\$27.603	\$10.10	\$14.85	\$22.775	\$26.852	\$31.071
29-112	Physical Therapists	140	\$43.35	\$90.166	\$32.12	\$48.96	\$73.505	\$89.779	\$110.548
29-107	Physician Assistants	70	\$48.25	\$100.369	\$35.10	\$54.83	\$80.150	\$94.489	\$128.369
29-106	Physicians and Surgeons, All Other	240	\$105.59	\$219.625	\$60.45	n/h	\$165.632	\$192.078	\$208.356
29-112	Radiation Therapists	*	\$36.68	\$76.292	\$31.44	\$39.30	\$66.649	\$74.570	\$86.227
29-203	Radiologic Technologists and Technicians	270	\$20.45	\$42.531	\$14.87	\$23.24	\$34.427	\$42.215	\$49.794
29-114	Registered Nurses	2,120	\$27.20	\$56.566	\$20.65	\$30.47	\$47.634	\$56.305	\$66.125
29-112	Respiratory Therapists	200	\$22.85	\$47.534	\$20.16	\$24.20	\$42.397	\$46.948	\$53.236
29-205	Respiratory Therapy Technicians	60	\$19.33	\$40.203	\$10.56	\$23.71	\$30.229	\$43.180	\$52.194
29-112	Speech-Language Pathologists	70	\$33.55	\$69.777	\$19.92	\$40.36	\$46.860	\$66.801	\$88.128
29-106	Surgeons	50	\$121.14	\$251.981	n/d	n/h	\$191.461	\$192.637	\$192.743
29-205	Surgical Technologists	170	\$16.68	\$34.697	\$12.65	\$18.70	\$28.389	\$33.720	\$39.455
29-113	Veterinarians	30	\$38.29	\$79.645	\$29.65	\$42.61	\$68.953	\$83.404	\$93.302
29-205	Veterinary Technologists and Technicians	70	\$13.79	\$28.674	\$10.62	\$15.37	\$23.888	\$29.013	\$34.092
31-000	Healthcare Support Occupations	4,010	\$11.67	\$24.274	\$8.51	\$13.25	\$19.177	\$22.133	\$26.503
31-909	Dental Assistants	240	\$15.58	\$32.406	\$12.55	\$17.09	\$28.166	\$32.618	\$36.714
31-909	Healthcare Support Workers, All Other	20	\$14.38	\$29.908	\$11.07	\$16.03	\$25.182	\$28.113	\$32.416
31-101	Home Health Aides	450	\$9.74	\$20.251	\$8.14	\$10.54	\$17.688	\$19.951	\$22.906
31-909	Medical Assistants	340	\$12.06	\$25.077	\$10.34	\$12.92	\$21.765	\$24.153	\$27.911
31-909	Medical Transcriptionists	90	\$12.15	\$25.270	\$8.06	\$14.19	\$18.208	\$25.369	\$31.376
31-101	Nursing Aides, Orderlies, and Attendants	2,250	\$10.11	\$21.029	\$8.12	\$11.11	\$18.415	\$20.930	\$23.229
31-201	Occupational Therapist Assistants	50	\$24.57	\$51.104	\$18.43	\$27.64	\$41.840	\$47.722	\$63.879
31-909	Pharmacy Aides	*	\$13.60	\$28.291	\$10.41	\$15.20	\$25.202	\$29.001	\$33.672
31-909	Phlebotomists	90	\$13.68	\$28.450	\$10.08	\$15.48	\$21.719	\$25.069	\$34.805
31-202	Physical Therapist Aides	80	\$10.02	\$20.840	\$8.05	\$11.00	\$17.506	\$20.012	\$23.687
31-202	Physical Therapist Assistants	170	\$24.40	\$50.758	\$18.40	\$27.40	\$42.355	\$51.540	\$59.080
31-909	Veterinary Assistants and Laboratory Animal Caretakers	80	\$12.58	\$26.177	\$10.30	\$13.72	\$23.664	\$26.641	\$29.162
33-000	Protective Service Occupations	2,470	\$15.66	\$32.568	\$10.35	\$18.31	\$24.398	\$28.989	\$38.491
33-901	Animal Control Workers	*	\$13.09	\$27.229	\$9.72	\$14.77	\$21.087	\$23.835	\$32.437
33-301	Bailiffs	30	\$11.89	\$24.741	\$9.46	\$13.11	\$20.798	\$24.414	\$28.107
33-301	Correctional Officers and Jailers	820	\$13.42	\$27.905	\$11.21	\$14.52	\$25.929	\$27.263	\$29.606
33-909	Crossing Guards	30	\$11.63	\$24.192	\$8.76	\$13.07	\$19.665	\$25.076	\$28.359

Section C Economic Feasibility – 7(b)

Documentation of the most Recent License.

Board for Licensing Health Care Facilities



State of Tennessee

License No. 0000000204

No. Beds 0094

DEPARTMENT OF HEALTH

This is to certify, that a license is hereby granted by the State Department of Health to

NATIONAL HEALTH CORPORATION to conduct

and maintain a Nursing Home NHC HEALTHCARE, COOKEVILLE

Located at 815 SOUTH WALNUT AVENUE, COOKEVILLE

County of PUTNAM, Tennessee.

This license shall expire MAY 07, 2017 *and is subject*

to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.

In Witness Whereof, we have hereunto set our hand and seal of the State

this 16TH day of FEBRUARY, 2016.



By *James J. Davis, MPH*

DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By *John J. Davis* COMMISSIONER

Section C Economic Feasibility – 7(c)

**Documentation from the most Recent Licensure/certification
Inspection and an Approved Plan of Correction.**



STATE OF TENNESSEE
DEPARTMENT OF HEALTH
OFFICE OF HEALTH LICENSURE AND REGULATION
EAST TENNESSEE REGION
7175 STRAWBERRY PLAINS PIKE, SUITE 103
KNOXVILLE, TENNESSEE 37914

April 23, 2015

Mr. Jeremy Stoner, Administrator
NHC Healthcare, Cookeville
815 S. Walnut Avenue
Cookeville TN 38501

Re: 44-5110

Dear Mr. Stoner:

The East Tennessee Regional Office of Health Care Facilities conducted a Health and Life Safety recertification survey/complaint investigation on March 9 – 11, 2015. An on-site revisit and desk review of the facilities plan of correction for the deficiencies cited as a result of the survey was conducted on April 8 and 15, 2015. Based on the on-site revisit, we are accepting your plan of correction and your facility is in compliance with all participation requirements as of March 30, 2015.

If you have any questions concerning this letter, please contact our office at (865) 594-9396.

Sincerely,

A handwritten signature in cursive script that reads "Karen Kirby / afl".

Karen B. Kirby, R.N.
Regional Administrator
ETRO Health Care Facilities

KK: afl

April 2, 2015

Karen Kirby
Office of Health Licensure and Regulation
East Tennessee Region
5904 Lyons View Pike, Bldg 1
Knoxville, TN 37919

Dear Ms. Kirby:

On March 24, 2014 I received your cover letter and the CMS-2567 requesting our plan of correction for the deficiencies cited by the surveyors on the March 9-11, 2015 survey conducted by your office.

I respectfully submit our plan of correction. Please consider this Plan of Correction as our credible allegation of compliance.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Stoner, NHA". The signature is fluid and cursive, with the initials "NHA" written in a slightly different style at the end.

Jeremy Stoner
Administrator

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 03/23/2015
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445110	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 03/11/2015
NAME OF PROVIDER OR SUPPLIER NHC HEALTHCARE, COOKEVILLE			STREET ADDRESS, CITY, STATE, ZIP CODE 815 SOUTH WALNUT AVENUE COOKEVILLE, TN 38501		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
F 000	INITIAL COMMENTS	F 000	(No deficiencies were cited therefore no provider plan of correction has been submitted for F 000)		
F 280 SS=D	<p>During the annual Recertification survey and complaint investigation #33202, conducted on March 9-11, 2015, at NHC, Cookeville, no deficiencies were cited in relation to the complaint under 42 CFR PART 483, Requirements for Long Term Care.</p> <p>483.20(d)(3), 483.10(k)(2) RIGHT TO PARTICIPATE PLANNING CARE-REVISE CP</p> <p>The resident has the right, unless adjudged incompetent or otherwise found to be incapacitated under the laws of the State, to participate in planning care and treatment or changes in care and treatment.</p> <p>A comprehensive care plan must be developed within 7 days after the completion of the comprehensive assessment; prepared by an interdisciplinary team, that includes the attending physician, a registered nurse with responsibility for the resident, and other appropriate staff in disciplines as determined by the resident's needs, and, to the extent practicable, the participation of the resident, the resident's family or the resident's legal representative; and periodically reviewed and revised by a team of qualified persons after each assessment.</p> <p>This REQUIREMENT is not met as evidenced by: Based on medical record review and interview, the facility failed to revise a care plan for one resident (#134) of thirty sampled residents.</p>	F 280	<p>(Begin Tag F280) Under the direction of the Director of Nursing (DON) the care plan for the affected resident was updated on March 10, 2015 to include documentation related to infectious disease and isolation.</p> <p>Under the direction of the DON the residents who were on the surveillance listing for infection control were crossed checked to ensure that their plan of care included infections. No other residents were found to be affected by the same deficient practice. This was completed on March 13, 2015.</p> <p>Under the direction of the DON the center made the following changes, in order to prevent a reoccurrence of the deficient practice. The 3rd shift Nursing Supervisor, who prepares the daily Surveillance Report, will observe the plan of care for any new listings to the report, any non-addressed issues will be care planned at that time. The training for this new practice was completed on March 30, 2015, and the practice was put into place. Additionally these new practices have been incorporated into our new employee orientation. (continue F280 POC on the next page)</p>	F280 3/30/2015	
LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE			TITLE		

Any deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 03/23/2015
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445110	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 03/11/2015
NAME OF PROVIDER OR SUPPLIER NHC HEALTHCARE, COOKEVILLE			STREET ADDRESS, CITY, STATE, ZIP CODE 815 SOUTH WALNUT AVENUE COOKEVILLE, TN 38501		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)		(X8) COMPLETION DATE
F 280	Continued From page 1 The findings included: Resident #134 was admitted to the facility on December 8, 2014, with diagnoses including Senile Dementia with Delusional Features, Cervicalgia, and Dysphagia. Medical record review of a laboratory report dated March 8, 2015, revealed, "Specimen: Stool...Report Final: 03/08/2015 (7:29 p.m.)...C. diff (Clostridium Difficile)...positive." Medical record review of a physician's order dated March 8, 2015, revealed, "Isolation Precaution." Medical record review of a physician's order dated March 9, 2015, revealed, "Isolation...related to C-Diff." Medical record review of the resident's current care plan, effective through March 19, 2015, revealed no documentation regarding infectious disease and/or isolation. Interview with the Assistant Director of Nursing (ADON) on March 10, 2015, at 3:12 p.m., at the 400 wing nurse's station, revealed the ADON was responsible for revising the resident's care plan. Continued interview confirmed the facility failed to revise the care plan to address the resident's infectious disease and isolation.	F 280	Under the direction of the DON the Assistant Director of Nursing will monitor the Surveillance Report daily and address any new listing by direct observation of the Care Plan for updates. The aforementioned monitoring will occur 5 times a week for 3 weeks, then the monitoring will transition to weekly for 3 more weeks. A report will be given to the Quality Assurance Process Improvement (QAPI) committee in May of 2015 and follow up will be directed by the QAPI committee based upon those findings. (End Tag F280)		F280 3/30/2015
F 371 SS=F	483.35(i) FOOD PROCURE, STORE/PREPARE/SERVE - SANITARY The facility must - (1) Procure food from sources approved or considered satisfactory by Federal, State or local	F 371	(Provider Plan of Correction for F 371 will begin on the next page.)		

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

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OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445110	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 03/11/2015
NAME OF PROVIDER OR SUPPLIER NHC HEALTHCARE, COOKEVILLE			STREET ADDRESS, CITY, STATE, ZIP CODE 815 SOUTH WALNUT AVENUE COOKEVILLE, TN 38501		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)		(X5) COMPLETION DATE
F 371	<p>Continued From page 2 authorities; and (2) Store, prepare, distribute and serve food under sanitary conditions</p> <p>This REQUIREMENT is not met as evidenced by: Based on observation, facility policy review, review of manufacturer's recommendations, and interview, the facility failed to ensure dishes and utensils were cleaned under sanitary conditions in the dietary department.</p> <p>The findings included:</p> <p>Observation on March 10, 2015, at 8:41 a.m., in the kitchen, revealed dietary employee #1 washed kitchen utensils using the three compartment sink. Continued observation revealed the dietary employee washed a large skillet, food scoop, and two quarter pans by dipping the kitchen items in the chemical sanitizer and then immediately placing them on a rack.</p> <p>Review of the facility policy Chemical Sanitizing, revised January 2011, revealed "...4. Chemical sanitizing may be accomplished...by immersing a clean object in a specific concentration of sanitizing solution for a required period of contact time..."</p> <p>Review of the chemical product manufacturer's recommendations and interview with the dietary manager on March 10, 2015, at 3:56 p.m., in the dietary office, confirmed a 1 minute contact time was needed for chemical sanitizing, and the</p>	F 371	<p>(Begin Tag F371) It is the policy of this facility to 1. Procure food from sources approved or considered satisfactory by Federal, State, or local authorities; and 2. Store, prepare, distribute and serve food under sanitary conditions. Some of the many ways that this has been achieved for our residents is by ordering food from vendors who adhere to dietary guidelines outlined by the FDA. All food is stored in sanitary conditions, and is neatly organized. Food stored in our freezers are frozen solid and food stored in refrigerators are kept at temperatures at or below 41 degrees Fahrenheit. Dry storage food is left in original containers until needed and our stock is regularly rotated. We use proper procedures when washing dishes in our dish machine, paying careful attention that clean dishware does not contact unclean dishware.</p> <p>Under the supervision of the Director of Dietary it was determined that all residents could have been affected by the same deficient practice, because the kitchen prepares food for all residents.</p> <p>(continue F371 on the next page)</p>		<p>F371 3/30/2015</p>

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 03/23/2015
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OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445110	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 03/11/2015
NAME OF PROVIDER OR SUPPLIER NHC HEALTHCARE, COOKEVILLE			STREET ADDRESS, CITY, STATE, ZIP CODE 815 SOUTH WALNUT AVENUE COOKEVILLE, TN 38501		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)		(X5) COMPLETION DATE
F 371	Continued From page 3 facility policy and manufacturer's recommendations were not followed for chemical sanitizing.	F 371	<p>On March 10, 2015 the Director of Dietary reviewed the proper method for using the three compartment sink and placed additional emphasis on the need to follow manufacturer's instructions. Additionally all dietary employees were in-serviced on the proper procedures regarding the three compartment sink. All employees were shown the proper procedure and were then able to repeat the correct procedure under observation. The additional training was on-going and concluded March 30, 2014. Additionally the center has incorporated the new practice training into our new employee orientation.</p> <p>The Director of Dietary will conduct monthly Quality Assurance (QA) studies to ensure compliance and report her findings to the center Quality Assurance Performance Improvement (QAPI) meeting that occurs monthly. Our QAPI committee will direct the Director of Dietary regarding the need for additional training and/or ongoing QA studies. (End Tag F371)</p>		F371 3/30/2015

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TN7103	(X2) MULTIPLE CONSTRUCTION A. BUILDING: _____ B. WING: _____	(X3) DATE SURVEY COMPLETED 03/11/2015
NAME OF PROVIDER OR SUPPLIER NHC HEALTHCARE, COOKEVILLE		STREET ADDRESS, CITY, STATE, ZIP CODE 815 SOUTH WALNUT AVENUE COOKEVILLE, TN 38501		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
N 000	Initial Comments During the annual Licensure survey and investigation of complaint #33202, conducted on March 9-11, 2015, at NHC Cookeville, no deficiencies were cited under 1200-8-6, Standards for Nursing Homes.	N 000	(No deficiencies were cited therefore no provider plan of correction has been submitted for N 000)	
	<i>JE STANLEY, NHA</i>		<i>ADMINISTRATOR</i>	<i>4/2/15</i>

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 03/20/2015
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445110	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - MAIN BUILDING 01 B. WING _____		(X3) DATE SURVEY COMPLETED 03/09/2015
NAME OF PROVIDER OR SUPPLIER NHC HEALTHCARE, COOKEVILLE			STREET ADDRESS, CITY, STATE, ZIP CODE 815 SOUTH WALNUT AVENUE COOKEVILLE, TN 38501		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
K 147 SS=E	<p>NFPA 101 LIFE SAFETY CODE STANDARD</p> <p>Electrical wiring and equipment is in accordance with NFPA 70, National Electrical Code. 9.1.2</p> <p>This STANDARD is not met as evidenced by: Based on observations, it was determined the facility failed to maintain the electrical system..</p> <p>The Findings included:</p> <p>Observation on 3/11/15 at 10:26 AM, revealed of 4 of 12 resident rooms located in the 200 corridor had oxygen concentrators plugged into power strips.</p> <p>This findings were verified by the maintenance director and acknowledged by the administrator during the exit conference on 3/11/15</p>	K 147	<p>Under the direction of the Maintenance Director it was determined that only 4 residents were affected by this deficient practice.</p> <p>The oxygen concentrators were unplugged from the power strips and plugged into their own outlet.</p> <p>Under the direction of the Maintenance Director the 200 hall staff were in-serviced on the proper use of power strips. This training was concluded on 3/30/2015. The center will take an additional step of adding electrical outlets.</p> <p>The Maintenance Director will conduct monthly Quality Assurance studies and report his finding the Quality Assurance Performance Improvement committee. The QAPI committee meets each month and they will direct whether additional studies and training are necessary.</p>	<p>K 147 3/30/2015</p>	

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Any deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TN7103	(X2) MULTIPLE CONSTRUCTION A. BUILDING: 01 - MAIN BUILDING 01 B. WING _____	(X3) DATE SURVEY COMPLETED 03/09/2015
NAME OF PROVIDER OR SUPPLIER NHC HEALTHCARE, COOKEVILLE		STREET ADDRESS, CITY, STATE, ZIP CODE 815 SOUTH WALNUT AVENUE COOKEVILLE, TN 38501		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
N 002	<p>1200-8-6 No Deficiencies</p> <p>Based on observation, testing and records review it was determined the facility had no life safety deficiencies.</p> <p><i>J. STONE, NHA</i></p>	N 002	<p>(No deficiencies were cited therefore no provider plan of correction has been submitted for N 002)</p> <p><i>ADMINISTRATOR 4/2/15</i></p>	

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Attachment – Proof of Publication

Herald-Citizen

PO Box 2729
Cookeville, TN 38502-2729

National HealthCare Corporation / Bruce K. Duncan

City Center, 100 Vine Street, 12th Floor

Murfreesboro, TN 37130

Acct# 102593

State of Tennessee

County of Putnam ss

Mike DeLapp, of the city of Cookeville, in said county and state, being duly sworn, on his oath says that he is the Editor & Publisher of the Herald-Citizen, a daily newspaper of general circulation published in said city, and that the notice, a printed copy of which is hereto annexed, was published in said newspaper for one (1) day which publication was made on

April 8, 2016

This legal notice was published online at www.herald-citizen.com and www.publicnoticeads.com during the duration of the run dates listed. This publication fully complies with Tennessee Code Annotated 1-3-120.

Mike DeLapp

Editor and Publisher

Subscribed and sworn to before me this 8th day of April 2016.

Anita Ledbetter

Notary Public, Putnam County
State of Tennessee

My commission expires 07/19/16

AMOUNT DUE \$120.56



NOTIFICATION OF INTENT TO ADVERTISE

This is to provide official notice to the Health Services and Development Agency, pursuant to T.C.A. § 68-11-1601 et seq., and that:

NHC HealthCare, Cookeville
(Name of Applicant)

owned by: National Health Corporation with an interest in:

and to be managed by: Tennessee HealthCare Advisors, Inc.

Need for: the addition of 10 new Medicare certified nursing home beds. NHC HealthCare, Co. renovation and construction of a total of 22 existing patient rooms being converted from include the kitchen, dish room and the addition of existing 94 bed nursing home called NHC HealthCare, Cookeville (Putnam Co.) TN 38501. participation. The estimated project costs is \$4,000,000. The anticipated date of filing the application is: April 15, 2016.

The contact person for this project is Bruce K. Duncan (Contact)

who may be reached at: National HealthCare Corporation (Company Name)

Murfreesboro Tennessee
(City) (State)

Upon written request by interested parties, a local hearing should be held. Written requests for hearing should be sent to:

Health Services and Development Agency
Andrew Jackson Building
502 Deaderick Street
Nashville, Tennessee

The published Letter of Intent must contain the following information: health care institution wishing to oppose a Certificate of Need application must file a written statement of opposition with the Health Services and Development Agency no later than 10 business days after the date of the public hearing at which the person wishing to oppose the application must file written statement of opposition. The written statement of opposition must be filed with the Agency at or prior to the consideration of the application.

chris@powdermill.com a complete job p

NOW ACCEPTING
for F/T custodian
Benefits include:
ance & paid v
(931)372-3726
Facilities Warehouse
at 915 N. W
between 8A-4P M

**Come in W
HIR**

FREE

Attachment – Letter of Intent



State of Tennessee
Health Services and Development Agency

Andrew Jackson Building, 9th Floor

502 Deaderick Street

Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

LETTER OF INTENT

The Publication of Intent is to be published in the Herald-Citizen which is a newspaper
 of general circulation in Putnam, Tennessee, on or before April 8, 2016,
 (County) (Month / day) (Year)
 for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

NHC HealthCare, Cookeville Nursing Home
 (Name of Applicant) (Facility Type-Existing)

owned by: National Health Corporation with an ownership type of For Profit Corporation

and to be managed by: Tennessee HealthCare Advisors, LLC. intends to file an application for a Certificate of Need for: the addition of 10 new Medicare certified SNF nursing home beds. The project includes the renovation and construction of a total of 22 private rooms, the 10 previously mentioned and 12 existing patient rooms being converted from semi-private to private rooms. Other renovations include the kitchen, dish room and the addition of a two story office/storeroom building all to the existing 94 bed nursing home called NHC HealthCare, Cookeville, located at 815 South Walnut Avenue, Cookeville (Putnam Co.) TN 38501. When finished, the center will have a total of 104 nursing home beds. NHC HealthCare, Cookeville is certified for Medicare and Medicaid participation. The estimated project costs is \$4,806,490.

The anticipated date of filing the application is: April 12, 2016

The contact person for this project is Bruce K. Duncan Assistant Vice President
 (Contact Name) (Title)

who may be reached at: National HealthCare Corporation 100 Vine Street, 12th Floor
 (Company Name) (Address)

Murfreesboro Tennessee 37130 615 / 890-2020
 (City) (State) (Zip Code) (Area Code / Phone Number)

[Signature] 4/5/16 bduncan@nhccare.com
 (Signature) (Date) (E-mail Address)

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Attachment – Letters of Support



Ryan Williams
State Representative

Legislative Office:
114 War Memorial Building
Nashville, Tennessee 37243
(615) 741-1875

rep.ryan.williams@capitol.tn.gov
1-800-449-8366 EXT 1-1875

House of Representatives State of Tennessee

NASHVILLE

CHAIRMAN
House Health Subcommittee

MEMBER OF COMMITTEES
House Education Instruction and Programs
House Health

District Office:
1843 Foreman Drive; Suite 200
Cookeville, TN 38501
(931) 881-1279

February 25, 2016

NHC HealthCare
Attn: Jeremy Stoner
815 South Walnut Ave
Cookeville, TN 38501

Dear Mr. Stoner,

This letter expresses my support for NHC HealthCare, Cookeville's CON application for the addition of ten (10) skilled beds. NHC is filing this CON based on the bed need projection for additional skilled beds in Putnam County. We need to meet the demand of our senior population with quality care and NHC is a great resource.

NHC is to be commended for their care and for their future commitment of creating more housing to meet the aging senior's needs. I wish NHC well in the fulfillment of its mission of care for the elderly.

Sincerely,

Ryan Williams
State Representative



Office of the Mayor

February 25, 2016

Ms. Melanie Hill
Executive Director
State of Tennessee
Health Services and Development Agency
502 Deaderick Street, 9th Floor
Nashville, TN 37243

Dear Ms. Hill:

This letter expresses my support for NHC HealthCare, Cookeville's CON application for the addition of ten (10) skilled beds. NHC is filing this CON based on the bed need projection for additional skilled beds in Putnam County. We need to meet the demand of our senior population with quality care and NHC is a great resource.

NHC is to be commended for their care and for their commitment of creating more housing to meet the aging senior's needs. I wish NHC well in the fulfillment of its mission of care for the elderly.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ricky Shelton", is written over the printed name and title.

Ricky Shelton
Mayor



February 18, 2016

Ms. Melanie Hill, executive Director
State of Tennessee
Health Services and Development Agency
507 Deaderick Street, 9th Floor
Nashville, TN 37243

Dear Ms. Hill:

I am writing to express my support for NHC HealthCare Cookeville's Certificate of Need (CON) application for the addition of 10 additional nursing beds. As County Executive of a County with over 75,000 people and a growing aging population, the need for more skilled beds is in the best interest of our citizens.

Before being elected to my current position, I served as the Emergency Medical Services director of our County for over 30 years. I saw firsthand the need for more skilled nursing care, as the waiting list for this type of care can be very long. Also NHC HealthCare has established itself as a quality facility in our County and has a great reputation with our citizens.

Putnam County citizens deserve to have skilled nursing care readily available to them, so I encourage you to approve the CON for NHC Healthcare.

Sincerely,

Randy Porter
County Executive
Putnam County

March 9, 2016


Ms. Melanie Hill, Executive Director
State of Tennessee
Health Services and Development Agency
502 Deaderick Street, 9th Floor
Nashville, TN 37243

Dear Ms. Hill:

I am writing to express the Cookeville-Putnam County Chamber's support for NHC HealthCare Certificate of Need (CON) application for the addition of ten skilled beds in the Cookeville facility. We need to meet the demands of our senior population with quality care and NHC HealthCare is a great resource.

I ask you to favorably consider this proposal. If you have any questions, please do not hesitate to contact me.

Sincerely,



George F. Halford, CCE, CEcD
President/CEO

YOUR VISION. OUR VOICE.

o (931) 526-2211
(800) 264-5541

f (931) 526-4023

1 WEST FIRST ST., COOKEVILLE, TN 38501

www.CookevilleChamber.com

227



COOKEVILLE
C H A M B E R
PUTNAM COUNTY, TENNESSEE



February 26, 2016

Ms. Melanie Hill, Executive Director
State of Tennessee
Health Services and Development Agency
502 Deaderick Street, 9th Floor
Nashville, TN 37243

Dear Ms. Hill:

This letter expresses my support for NHC HealthCare, Cookeville's CON application for the addition of ten (10) skilled beds. NHC is filing its CON based on Putnam County's projected skilled needs. I am a physician practicing in Putnam County and given my experience in the local market, I believe these additional skilled nursing beds are needed to accommodate out county's growing aging population. Even today, skilled referrals can be difficult to place and often require patient delays in our acute care facilities.

Given NHC's excellent history, these residents will receive the highest quality of care. I ask you to favorably consider this proposal.

If you have any questions, please do not hesitate to call me at 931-520-8457.

Sincerely,

Emilie B. Riddle, M.D.

315 North Washington Ave Suite 230

Cookeville, Tennessee, 38501

James Gregory Staggs, D.O.

Board Certified Family Practice

753-B Humble Drive, Cookeville, Tennessee 38501

Phone 931-520-1800 • Fax 931-520-1844

March 3, 2016

Ms. Melanie Hill, Executive Director
State of Tennessee
Health Services and Development Agency
502 Deaderick Street, 9th Floor
Nashville, TN 37243

Dear Ms. Hill:

This letter expresses my support for NHC HealthCare - Cookeville's CON application for the addition of ten (10) skilled beds. NHC is filing its CON based on Putnam County's projected skilled bed need. I am a physician practicing in Putnam County and given my experience in the local market, I believe these additional skilled nursing beds are needed to accommodate our county's growing aging population. Even today, skilled referrals can be difficult to place and often require patient delays in our acute care facilities.

Given NHC's excellent history, these residents will receive the highest quality of care. I ask you to favorably consider this proposal.

If you have any questions, please do not hesitate to call me.

Sincerely,



James G. Staggs, D.O.

JGS:gg



UPPER CUMBERLAND FAMILY PHYSICIANS

1101 Neal St., Cookeville, TN 38501 | (931) 528-7797

STEVEN G. FLATT, M.D.
JANE ANNE GOTCHER, M.D.
ERNEST G. BUCHANAN IV, M.D.
TRACY EPPS, F.N.P.
JEANNETTA STEPHENS, F.N.P.
MARGAUX MAYNARD, F.N.P.

March 03, 2016

Ms. Melanie Hill, Executive Director
State of Tennessee
Health Services and Development Agency
502 Deaderick Street, 9th Floor
Nashville, TN 37243

Dear Ms. Hill:

This letter expresses my support for NHC Healthcare, Cookeville's CON application for the addition of ten (10) skilled beds. NHC is filing its CON based on Putnam County's projected skilled bed need. I am a physician practicing in Putnam County and given my experience in the local market, I believe these additional skilled nursing beds are needed to accommodate our county's growing aging population. Even today, skilled referrals can be difficult to place and often require patient delays in our acute care facilities.

My patients have received excellent quality of care at NHC for the past 20 years. I ask you to favorably consider this proposal.

If you have any questions, please do not hesitate to call me.

Sincerely,

Jane Anne Gotcher, M.D.



Lori Austin, MD, Internal Medicine
Katherine Bertram, MD, Internal Medicine
Sandra Bailiff, NP, Nurse Practitioner

Ms. Melanie Hill, Executive Director
State of Tennessee
Health Services and Development Agency
502 Deaderick Street, 9th Floor
Nashville, TN 37243

Dear Ms. Hall:

This letter expresses my support for NHC HealthCare, Cookeville's CON application for the addition of ten (10) skilled beds. NHC is filing its CON based on Putnam County's projected skilled need. As Medical Director of NHC, Cookeville, and given my experience in the local market, I believe these additional skilled nursing beds are needed to accommodate out county's growing aging population. Even today, skilled referrals can be difficult to place and often require patient delays in our acute care facilities.

Given NHC's excellent history, these residents will receive the highest quality of care. I ask you to favorably consider this proposal.

If you have any questions, please do not hesitate to call me.

Sincerely,

Katherine Bertram M.D.
Medical Director
NHC HealthCare
Cookeville, TN

MORNINGSIDE
OF COOKEVILLE



February 29, 2016

Ms. Melanie Hill, Executive Director
State of Tennessee
Health Services and Development Agency
502 Deaderick Street, 9th Floor
Nashville, TN 37243

Dear Ms. Hill:

This letter expresses my support for NHC HealthCare, Cookeville's CON application for the addition of ten (10) skilled beds. NHC is filing this CON based on the bed need projection for additional skilled beds in Putnam County. We need to meet the demand of our senior population with quality care and NHC is a great resource.

NHC is to be commended for their care and for their future commitment of creating more housing to meet the aging senior's needs. I wish NHC well in the fulfillment of its mission of care for the elderly.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sherry Smith, Ed.'.

Sherry Smith-Norrod
Executive Director

ssn



APR 05 12:42

Ms. Melanie Hill, Executive Director
State of Tennessee
Health Services and Development Agency
502 Deaderick Street, 9th Floor
Nashville, TN 37243

Dear Ms. Hill:

This letter expresses my support for NHC HealthCare, Cookeville's CON application for the addition of ten (10) skilled beds. NHC is filing this CON based on the bed need projection for additional skilled beds in Putnam County. We need to meet the demand of our senior population with quality care and NHC is a great resource.

NHC is to be commended for their care and for their future commitment of creating more housing to meet the aging senior's needs. I wish NHC well in the fulfillment of its mission of care for the elderly. Please feel free to contact me at anytime if I may be of further assistance.

Sincerely,

Jenene Jones
Executive Director
Cedar Hills Senior Living

JJ/cll



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

May 2, 2016

Bruce Duncan
National HealthCare Corporation
100 Vine Street, 12th Floor
Murfreesboro, TN 37130

RE: Certificate of Need Application -- NHC Healthcare, Cookeville - CN1604-014
The addition of 10 newly constructed Medicare certified SNF nursing home beds and the renovation of 12 existing patient rooms located at NHC HealthCare Cookeville, 815 South Walnut Avenue, Cookeville (Putnam County), TN. The estimated project cost is \$4,806,490.

Dear Mr. Duncan:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need. Please be advised that your application is now considered to be complete by this office.

Your application is being forwarded to Trent Sansing at the Tennessee Department of Health for Certificate of Need review by the Division of Policy, Planning and Assessment. You may be contacted by Mr. Sansing or someone from his office for additional clarification while the application is under review by the Department. Mr. Sansing's contact information is Trent.Sansing@tn.gov or 615-253-4702.

In accordance with Tennessee Code Annotated, §68-11-1601, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project will begin on May 2, 2016. The first sixty (60) days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the sixty (60) day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review within the thirty (30)-day period immediately following. You will receive a copy of their findings. The Health Services and Development Agency will review your application on July 27, 2016.

Bruce Duncan

May 2, 2016

Page 2

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (2) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (3) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,

A handwritten signature in blue ink that reads "Melanie M. Hill" followed by a stylized monogram "WF".

Melanie M. Hill
Executive Director

cc: Trent Sansing, TDH/Health Statistics, PPA



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

MEMORANDUM

TO: Trent Sansing, CON Director
Office of Policy, Planning and Assessment
Division of Health Statistics
Andrew Johnson Tower, 2nd Floor
710 James Robertson Parkway
Nashville, Tennessee 37243

FROM: Melanie M. Hill *MMH/MF*
Executive Director

DATE: May 2, 2016

RE: Certificate of Need Application
NHC Healthcare, Cookeville - CN1604-014

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on May 2, 2016 and end on July 1, 2016.

Should there be any questions regarding this application or the review cycle, please contact this office.

Enclosure

cc: Bruce Duncan, NHC HealthCare



State of Tennessee
Health Services and Development Agency

Andrew Jackson Building, 9th Floor
 502 Deaderick Street
 Nashville, TN 37243

www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

LETTER OF INTENT

The Publication of Intent is to be published in the Herald-Citizen which is a newspaper
 of general circulation in Putnam, Tennessee, on or before April 8, 2016,
 (County) (Month / day) (Year)
 for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

NHC HealthCare, Cookeville Nursing Home
 (Name of Applicant) (Facility Type-Existing)

owned by: National Health Corporation with an ownership type of For Profit Corporation

and to be managed by: Tennessee HealthCare Advisors, LLC. intends to file an application for a Certificate of Need for: the addition of 10 new Medicare certified SNF nursing home beds. The project includes the renovation and construction of a total of 22 private rooms, the 10 previously mentioned and 12 existing patient rooms being converted from semi-private to private rooms. Other renovations include the kitchen, dish room and the addition of a two story office/storeroom building all to the existing 94 bed nursing home called NHC HealthCare, Cookeville, located at 815 South Walnut Avenue, Cookeville (Putnam Co.) TN 38501. When finished, the center will have a total of 104 nursing home beds. NHC HealthCare, Cookeville is certified for Medicare and Medicaid participation. The estimated project costs is \$4,806,490.

The anticipated date of filing the application is: April 12, 2016

The contact person for this project is Bruce K. Duncan Assistant Vice President
 (Contact Name) (Title)

who may be reached at: National HealthCare Corporation 100 Vine Street, 12th Floor
 (Company Name) (Address)

Murfreesboro Tennessee 37130 615 / 890-2020
 (City) (State) (Zip Code) (Area Code / Phone Number)

[Signature] 4/5/16 bduncan@nhccare.com
 (Signature) (Date) (E-mail Address)

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Supplemental #1 -COPY-

NHC Healthcare Cookeville

CN1604-014

April 25, 2016

11:01 am

NHC

NATIONAL HEALTHCARE CORPORATION

April 22, 2016

Phillip M. Earhart
Health Services Development Examiner
State of Tennessee
Health Services & Development Agency
Andrew Jackson State Office Building, 9th floor
502 Deaderick Street, Nashville, TN 37243

RE: Certificate of Need Application CN1604-014 (Omission Response) Putnam
County, TN – NHC HealthCare, Cookeville

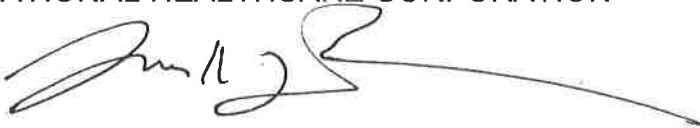
Dear Mr. Earhart:

Enclosed please find the additional information to the above referenced CON
application and supplemental request. This information has been submitted in triplicate

If there are any questions, please do not hesitate to contact me at 615-890-2020.

Sincerely,

NATIONAL HEALTHCARE CORPORATION

A handwritten signature in black ink, appearing to read "Bruce K. Duncan", with a long horizontal flourish extending to the right.

Bruce K. Duncan
Assistant Vice President & Authorized Representative for CN1604-014

Enclosure

April 25, 2016

11:01 am

OMISSION RESPONSES

TO

NATIONAL HEALTH CORPORATION CON APPLICATION FOR:

NHC HEALTHCARE, COOKEVILLE

10 BED SNF MEDICARE NURSING HOME ADDITION

PUTNAM COUNTY

April 22, 2016

**ATTN: MR. PHILLIP M. EARHART, HEALTH SERVICES DEVELOPMENT
EXAMINER**

April 25, 2016

11:01 am

1. Section B, Applicant Profile, Item 13

The applicant notes the proposed project will involve the treatment of TennCare participants; however there are no TennCare Managed Care plans listed as currently being contracted. In addition, the 2014 NHC Cookeville JAR indicates the applicant provided 19,921 days of Level I Care/Intermediate Care reimbursed by TennCare. Please clarify.

NHC HealthCare, Cookeville does participate in all TennCare MCO's. Please see the revised page four (4) from our CON application. NHC HealthCare, Cookeville provides both Level I and Level II Nursing care.

Please clarify if the proposed 10 new Medicare certified SNF nursing home beds will be dually certified.

The proposed 10 new Medicare certified SNF nursing home beds will be dually certified.

April 25, 2016**11:01 am**

13. *Identify all TennCare Managed Care Organizations/Behavioral Health Organizations (MCOs/BHOs) operating in the proposed service area. Will this project involve the treatment of TennCare participants? Yes If the response to this item is yes, please identify all MCOs/BHOs with which the applicant has contracted or plans to contract.*

Discuss any out-of-network relationships in place with MCOs/BHOs in the area.

NHC HealthCare, Cookeville has contracts with the following:

TennCare MCO's

AmeriGroup
BlueCare
United Healthcare
TennCare Select

Commercial MCO's

Aetna Health Care
Blue Cover TN
Blue Cross Blue Shield
Cariten
CCN Managed Care
ChampVA
Choice Care
Cigna Healthcare
CompPlus
Initial Group
John Deere
National Preferred Provider Network
Preferred Health Partnership
Signature Health Alliance
TriCare
United Health of TN
United Mine Workers Health & Retirement Funds
Vanderbilt Health Plans
Blue Advantage
Humana
Medicare Complete
Secure Horizon
Sterling Health Plan
Wellcare

April 25, 2016

11:01 am

2. Section B, Project Description, Item 1

On page 6 the applicant lists the Zip Code for NHC HealthCare Cookeville as 38502; however, the published Letter of Intent lists the zip code as 38501. Please clarify.

NHC HealthCare, Cookeville has two mailing zip codes, 38501 is the physical mailing address zip code and 38502-2829 is the centers P.O. Box. Please see the attached revised CON page 6.

It is noted the applicant will add 2,000 sq. ft. of therapy space. Please describe the current therapy space including square footage.

The current therapy space consists of two areas, 159 square feet of office space, and 600 square feet of patient treatment area for a therapy room total of 759 square feet. The office space is irregularly shaped and has no private offices, with four desks situated in the area. The second area is the gymnasium, used for patient care, which comprises a total of 600 square feet, and includes spaces for two therapy mats, parallel bars, a work table, a closet and our e-stim equipment.

The requested additional square footage is greatly needed.

April 25, 2016

11:01 am

3. Section B, Project Description Item II.A.

On page 8 the applicant notes the Medical Director will be Dr. Katherine Betram. Please clarify if the last name of the physician is "Bertram".

The correct spelling of the Medical Directors last name is Bertram. Please see the revised CON page 8 with the corrected spelling.

April 25, 2016

- c. Dietary Services: All special diet needs will be met and ~~11:01 am~~ punishment will be provided at all times. NHC has implemented (and is the only long-term health care chain to do so) an American Dietetic Association-approved Dietetic Internship program whereby dietitians are chosen to train in the three major areas of dietetics within the long-term health care setting: administrative, clinical and community dietetics with an emphasis on the treatment of geriatric nutritional problems. Internists also receive training in hospitals and community health centers. Upon graduation and completion of exams, they become licensed and certified dietitians. NHC's goal is to place an ADA Dietitian in each NHC facility.
- d. Medical Director: A local physician, Dr. Katherine Bertram, MD, is employed as medical director on a consulting basis and will be available to attend to needs of our nursing home patients.
- e. Consultant Services: Advice and instructions is sought from health care professionals, including dietitians, pharmacists, gerontologists, therapists, and social workers.
- f. Housekeeping & Janitorial Services: Housekeeping and janitorial services is provided to insure that services are rendered to patients in a clean, attractive, well-maintained and comfortable atmosphere.
- g. Laundry: Clean linens are furnished to all patients and personal laundry services are available at a nominal charge.
- h. Patient Assessment Program: A multi-disciplinary team of health professionals systematically conduct medical care evaluations, admission and extended duration review. The computerized patient assessment program of the applicant maintains patient-specific reports thereby enabling the professional staff to evaluate patient progress on a regular and comprehensive basis. Moreover, management can ensure the physician's orders are carried out in conformance with the highest standards of patient care. Detailed information is fed into the computer and analyzed monthly. This information shows each item of expense and need. The costs are then compared to expected standards and similar corporate facilities. A continuous effort is thus maintained in providing a first class nursing home at the lowest possible cost to the patient, his family and the state/federal government.
- i. Discharge Planning: A discharge planning coordinator continuously monitor each patient's progress, by individual contact, and with the use of the patient assessment program, help to return the patient to the most independent living arrangements. This position is also responsible for some family support.
- j. Respite Care: NHC HealthCare, Cookeville can also provide respite care based on bed availability. Respite care refers to providing nursing services to individuals in the community that are cared for in their home and whose families need a place to care for individuals for a short time while the family is away.
- k. Sub-Acute Care: NHC HealthCare, Cookeville provides Level II beds for skilled patients and will do so by providing both the physical plant and trained staff to accommodate a more complex and skilled nursing level of care. The facility is organized and staffed accordingly to meet the needs of these patients.

NHC HealthCare, Cookeville is able to care for sub-acute patients with its increased staffing. If demand for these "heavy skilled" or "sub-acute" care beds is greater than projected,

SUPPLEMENTAL #1

April 25, 2016

11:01 am

The square footage and cost per square footage chart is noted. Please revise the chart according to the following:

- Please complete the "existing SF" column that reflects a total of 29,286 total GSF.
- The 2 columns listing "new" and "total" under the heading "Proposed Final Square Footage" is not calculated correctly. Please revise.
- Please include a proposed Final Cost/SF for line E. for the columns labeled "renovated", "new", and "total".

Please see the revised square footage and cost per square footage chart.

April 25, 2016

1:01 am

SQUARE FOOTAGE AND COST PER SQUARE FOOTAGE CHART

A. Unit / Department	Existing Location	Existing SF	Temporary Location	Proposed Final Location	Proposed Final Square Footage			Proposed Final Cost/ SF		
					Renovated	New	Total	Renovated	New	Total
Admin		1,480								\$0
Kitchen		889			96		96	\$86,013		\$86,013
Employee Break		119								\$0
Laundry		467								\$0
Storage/Central Supply		383				250	250		\$ 46,763	\$46,763
Housekeeping		83								\$0
Classroom										\$0
Beauty/Barber										\$0
PT/OT/Speech		759				2,000	2,000		\$ 374,100	\$374,100
Nursing Support		1,303				825	825		\$ 154,316	\$154,316
Dining/Rec		1,732				796	796		\$ 148,892	\$148,892
Sun Porch										\$0
Public/Staff Toilets		225				56	56		\$ 10,475	\$10,475
Patient Rms & Baths		12,351			2,550	6,977	9,527	\$68,518	\$ 1,305,048	\$1,373,566
										\$ -
B. Unit/Depart. GSF Sub-Total		19,791								\$0
C. Mechanical/ Electrical GSF		355				417	417		\$ 78,000	78,000
D. Circulation /Structure GSF		9,140				2,879	2,879		\$ 538,517	538,517
Sub-Total					2,646	14,200	16,846	\$154,531	\$ 2,656,110	
Office/Storage Building						2,200	2,200		\$ 212,850	
E. Total GSF		29,286			2,646	16,400	19,046	\$154,531	\$ 2,868,960	\$3,023,491

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**4. Section C., Need, Item I.a. (Nursing Home-Service Specific Criteria-)
Determination of Need**

It is noted the applicant applied population statistics to the nursing home service specific criteria other than those published by the Tennessee Department of Health. Please revise all responses including tables to reflect the most recent 2016 and 2018 population statistics published by the Tennessee Department of Health and submit replacement pages.

The latest publically available Tennessee Department of Health population statistics were used when the original CON application was filed. Based on the recently received Tennessee Department of Health population projections for Tennessee Counties and the State, 2010-2020, the tables and responses have been updated. Please note that other population data supplied, specifically ESRI, is done to supplement the Tennessee Department of Health data and is not used in calculations relating to bed need projections or the official population statistics for the State or county.

Please note that with the revised population projections the bed need calculation was also updated. The corresponding pages that discuss bed need have also been updated and replaced.

April 25, 2016**4. A Describe the demographics of the population to be served by this proposal**

During the 20th century, the number of person in the United States under age 65 has tripled. At the same time, the number aged 65 and over has grown by a factor of 11. According to Census Bureau's projections, the elderly populations will more than double between 1995 and the year 2050, to 80 million. By that year, as many as 1 in 5 Americans could be elderly. In 2010, persons 65 and above represented 13.0% of the total population (Census 2010).

Perhaps more significant is the rapid growth expected in oldest old age group, which are more likely to need some form of nursing home care. Thanks to the arrival of the survivors of the baby boom generation, it is expected the oldest old will number 19 million in 2050. That would make them 22 percent of elderly Americans and 4.3 percent of all Americans. (U.S. Census, *The Next four Decades: The Older Population in the United States: 2010 to 2050*, 5/10)

Diagnostic Related Group (DRG) prospective payment for hospitals made a significant impact on the demand for nursing home services. The prospective payment system encourages hospitals to discharge their elderly patients to long term care facilities (*Modern Healthcare*, 1984). Nursing homes today still experience great demand to accommodate patients who are admitted sicker and require greater amounts of nursing care. Consequently, there exist a growing need for nursing facilities offering and providing high level and quality skilled care services (Level II). Since many of the local medical centers do not provide nursing home care, the responsibility to provide this level of service rest on local nursing home providers.

Putnam County's age 65 and over population grew by 39.2% from 2010 to 2018. According to the Census figures, Putnam County 85 and over population increased by 566 persons from 2010 to 2018 or 47.0% from 1,204 to 1,770 residents.

The age 65+ population in Putnam County is projected to increase from 10,565 to 14,706, from 2010 to 2018 respectively (Source: Office of Health Statistics, TN Dept of Health) The primary population to be served by the proposal is those over the age of 65. **Please see Attachment "Section C – General Criteria – 4A Demographics of the Population Served" located on page 103 at the end of the application.**

Putnam County Population Projections

Age	Putnam County				
	2010	2016	2018	2010 - 2016 % Increase	2010 - 2018 % Increase
60 - 64	4,113	4,612	4,835	12.1%	17.6%
65-74	5,919	7,986	8,449	34.9%	42.7%
75-84	3,442	4,063	4,487	18.0%	30.4%
85+	1,204	1,628	1,770	35.2%	47.0%
65+	10,565	13,677	14,706	29.5%	39.2%
Total Population	72,321	79,658	81,972	10.1%	13.3%

Source: TN Department of Health, Division of Policy, Planning & Assessment, Office of Health Statistics

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NOTE: **Section B** is intended to give the applicant an opportunity to describe the project and to discuss the need that the applicant sees for the project. **Section C** addresses how the project relates to the Certificate of Need criteria of Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care. Discussions on how the application relates to the criteria should not take place in this section unless otherwise specified.

SECTION B: PROJECT DESCRIPTION

Please answer all questions on 8 1/2" x 11" white paper, clearly typed and spaced, identified correctly and in the correct sequence. In answering, please type the question and the response. All exhibits and tables must be attached to the end of the application in correct sequence identifying the questions(s) to which they refer. If a particular question does not apply to your project, indicate "Not Applicable (NA)" after that question.

- I. **Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.**

Proposed Services & Equipment: The proposed project is for the addition of 10 new Medicare certified nursing home beds to the existing 94 bed nursing home called NHC HealthCare, Cookeville, located at 815 South Walnut Ave, Cookeville (Putnam Co.) TN 38501.

Ownership Structure: National Health Corporation (for Profit Corporation)
Service Area: Putnam County

Need: Based on the Skilled Bed Need methodology found in the Certificate of Need Standards and Criteria, Nursing Home Services, there is a need for an additional 166 nursing home beds in Putnam County projected for 2018. Ten (10) new beds are being requested as part of this CON which represents only 6 percent of the beds projected to be needed in the Certificate of Need Standards and Criteria, Nursing Home Services for 2018 in Putnam County. The 125 bed pool which is effective from July 1, 2015 through June 30, 2016 will be affected. There are currently 100 beds left in the pool as of this filing.

Existing Resources: The existing site and building located at, 815 South Walnut Ave, Cookeville, TN, will be used for the proposed project. NHC has extensive operating experience in the Cookeville area, specifically in Putnam County, Tennessee since becoming licensed in 1975. NHC will use its resources and experience in the area to help staff and attract patients.

Project Cost: \$4,806,490

Funding: The project will be funded along with working capital, from NHC's cash on hand.

Financial Feasibility: The Projected Data Chart demonstrates the project is financially feasible in year one with positive net operating income less capital expenditures.

Staffing: 4.59 Direct Hours of Nursing per day (Year 1)*
 4.13 Direct Hours of Nursing per day (Year 2)*

*Nursing hours for the bed addition and additional staff which does not include the existing nursing staff what will see the patients. For example, our Direct Hours of Nursing is currently greater than 6 hours PPD.

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- B. Identify the number and type of beds increased, decreased, converted, relocated, designated, and/or redistributed by this application. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the existing services.

The proposed project is for the addition of ten (10) SNF Medicare beds to an existing 94 bed nursing home known as NHC HealthCare, Cookeville. NHC HealthCare, Cookeville will promote the orderly development of the health care system in that it is utilizing existing health care bed space and adds needed SNF beds in Putnam County where there is a projected need for an additional 166 nursing home beds in 2018 planning horizon.

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C. As the applicant, describe your need to provide the following health care services (if applicable to this application):

1. Adult Psychiatric Services
2. Alcohol and Drug Treatment for Adolescents (exceeding 28 days)
3. Birthing Center
4. Burn Units
5. Cardiac Catheterization Services
6. Child and Adolescent Psychiatric Services
7. Extracorporeal Lithotripsy
8. Home Health Services
9. Hospice Services
10. Residential Hospice
11. ICF/MR Services
12. Long-term Care Services
13. Magnetic Resonance Imaging (MRI)
14. Mental Health Residential Treatment
15. Neonatal Intensive Care Unit
16. Non-Residential Methadone Treatment Centers
17. Open Heart Surgery
18. Positron Emission Tomography
19. Radiation Therapy/Linear Accelerator
20. Rehabilitation Services
21. Swing Beds

NHC's need to provide long term care services in Putnam County is based on two primary points. First, we are responding to ongoing discussions we have had with CRMC and other providers to deliver the increasingly needed skilled Medicare nursing home beds in the community. Second, NHC independently verified the need for said beds and the projected need, based on the population and currently bed inventory, but also with the State Health Plan's projected need for an additional 166 beds by 2018. Since this bed need formula projects the need for skilled Medicare beds, this need projection is not diminished by the Choices and/or Options programs. For patients being discharged from a hospital via Medicare, quite often the best and most cost effective option is a short term nursing home stay for rehab follow by home care after discharge. NHC request is being drive entirely by the local market conditions and demand for our services.

D. Describe the need to change location or replace an existing facility. **Not Applicable**

E. Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute) which exceeds a cost of \$1.5 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following: **Not Applicable**

1. For fixed-site major medical equipment (not replacing existing equipment):
 - a. Describe the new equipment, including:
 1. Total cost ;(As defined by Agency Rule).
 2. Expected useful life;

A. Determination of Need

1. According to TCA 68-11-1622, the need for nursing home beds shall be determined by applying the following population-based statistical methodology:

County bed need = .0005 x pop. 65 and under, plus
.0120 x pop. 65 – 74
.0600 x pop. 75 – 84
.1500 x pop 85+

As stated above, Public Chapter No. 1112, Senate Bill No. 2463, amended and changed the code sections establishing the bed need formula that the Health Services and Development Agency must follow when granting certificates of need for nursing home beds in Tennessee. Based on the above referenced bed need methodology and a Nursing Facility Bed Need: Comparison of Tennessee's Health: Guidelines for Growth 2000 vs. Statute, By Total State and County 2000, there is a need in Putnam County of nursing home beds projected for 2018, or a need for an additional 166 beds in Putnam County. **Please see Nursing Facility Bed Need Report located in Attachment "Section C. General Criteria - 1.A. Need" located on page 86 at the end of the application.** This information, which is the most current available to the department, was provided and is included here for reference.

These projections demonstrate a need based on the population growth in Putnam County for nursing beds.

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2. **Planning horizon:** The need for nursing home beds shall be projected two years into the future from the current year.

**SNF Need Formula
Putnam County Bed Need**

**SNF Need
Formula**

4/20/2016

Putnam County

County Bed Need

Population 65 & under

Population 65-74

Population 75-84

Population 85+

2018 Population	Rate	Needed Beds By Age
67,266	0.0005	34
8,449	0.012	101
4,487	0.06	269
<u>1,770</u>	0.15	<u>266</u>
81,972		670

Existing Beds = 504

Need = 166

Source: Office of Health Statistics, Bureau of
Health Informatics, Tennessee Department of Health

Existing beds based on licensed beds, Licensed Health
Facilities, TN Department of Health

So noted by the applicant. The bed need referenced in response to Question 1 is the projected two year to show the 2018 bed need. There is a net need for an additional 166 nursing beds, per this report, well in excess of NHC's requested ten (10) Medicare SNF beds.

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2015 Revision (6/15)

Population Projections,
Tennessee Counties and the State,
2010-2020

COUNTY- Putnam
RACE-ETHNICITY/SEX- Total

AGE	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
0 to 4	4,332	4,322	4,357	4,414	4,500	4,599	4,703	4,795	4,887	4,981	5,070
5 to 9	4,338	4,431	4,444	4,501	4,522	4,531	4,521	4,557	4,620	4,709	4,812
10 to 14	4,301	4,305	4,417	4,435	4,492	4,527	4,620	4,638	4,694	4,718	4,727
15 to 19	5,976	5,399	5,174	5,392	5,653	5,838	5,842	5,950	5,968	6,022	6,054
20 to 24	7,441	8,416	8,813	8,544	7,942	7,155	6,545	6,288	5,968	6,022	6,054
25 to 29	4,827	5,073	5,467	6,078	6,898	7,939	8,924	9,321	9,037	8,417	7,621
30 to 34	4,168	4,043	3,968	3,991	4,089	4,212	4,418	4,758	5,288	5,997	6,889
35 to 39	4,180	4,071	3,927	3,857	3,749	3,663	3,555	3,488	3,503	3,582	3,674
40 to 44	4,428	4,435	4,445	4,357	4,275	4,146	4,036	3,893	3,829	3,726	3,641
45 to 49	4,718	4,716	4,661	4,568	4,525	4,532	4,539	4,546	4,460	4,379	4,249
50 to 54	4,630	4,652	4,734	4,805	4,809	4,833	4,823	4,765	4,670	4,619	4,623
55 to 59	4,304	4,413	4,556	4,634	4,791	4,819	4,843	4,923	4,992	4,997	5,016
60 to 64	4,113	4,294	4,242	4,310	4,323	4,500	4,612	4,756	4,835	4,991	5,023
65 to 69	3,394	3,557	3,856	3,989	4,172	4,315	4,503	4,457	4,530	4,554	4,733
70 to 74	2,525	2,607	2,727	2,970	3,182	3,331	3,483	3,780	3,919	4,098	4,237
75 to 79	1,999	2,055	2,079	2,158	2,218	2,305	2,381	2,492	2,713	2,902	3,035
80 to 84	1,443	1,472	1,556	1,571	1,604	1,639	1,682	1,710	1,774	1,827	1,900
85 plus	1,204	1,279	1,345	1,427	1,493	1,572	1,628	1,721	1,770	1,822	1,890
ALL AGES	72,321	73,540	74,768	76,001	77,237	78,456	79,658	80,838	81,972	83,063	84,087

Source: The University of Tennessee Center for Business and Economic Research Population Projection Data Files, Reassembled by the Tennessee Department of Health, Division of Policy, Planning and Assessment.

Note: These data will not match the University of Tennessee data exactly due to rounding.

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2015 Revision (6/15)

Population Projections,
Tennessee Counties and the State,
2010-2020

Tennessee
RACE-ETHNICITY/SEX- Total

AGE	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
0 to 4	407,813	410,337	412,423	414,111	419,229	426,572	430,744	434,474	437,900	441,223	444,546
5 to 9	412,181	413,193	416,708	421,894	423,136	423,029	425,128	426,815	428,118	432,951	439,998
10 to 14	418,941	423,901	427,941	430,028	431,163	430,282	431,515	435,423	440,928	442,250	442,215
15 to 19	437,186	440,833	444,026	449,267	456,956	467,223	472,164	476,203	478,354	479,597	478,732
20 to 24	426,244	436,480	446,864	455,003	459,484	459,190	461,016	463,219	468,027	475,366	485,392
25 to 29	417,683	415,699	413,832	412,457	415,853	421,072	431,779	441,747	448,670	451,865	450,165
30 to 34	406,314	414,354	420,163	424,911	427,751	427,741	426,101	424,532	423,380	426,818	431,897
35 to 39	423,622	409,949	403,302	402,872	406,269	412,286	420,479	426,561	431,468	434,308	434,298
40 to 44	430,508	437,043	440,886	442,049	437,646	429,231	415,588	409,028	408,691	412,151	418,268
45 to 49	467,087	461,737	454,382	444,764	436,665	435,317	441,816	445,677	446,835	442,483	434,070
50 to 54	459,349	464,251	466,694	468,823	472,505	471,779	466,294	458,901	449,311	441,246	440,022
55 to 59	414,991	427,640	438,942	449,850	456,344	463,407	468,452	471,032	473,228	476,910	476,134
60 to 64	370,724	389,799	392,822	396,069	404,923	416,715	429,413	440,935	451,978	458,708	465,999
65 to 69	280,538	289,005	312,773	331,747	349,160	366,482	384,861	387,947	391,662	400,720	412,613
70 to 74	206,536	213,123	224,115	238,599	251,208	262,389	270,344	293,099	311,079	327,510	343,650
75 to 79	154,517	158,651	161,217	166,421	172,797	178,918	184,856	194,494	207,383	218,446	228,208
80 to 84	111,954	114,253	116,702	118,162	119,780	122,466	125,914	128,173	132,513	137,690	142,747
85 plus	99,917	104,963	109,373	113,909	117,663	121,607	125,541	129,312	132,506	135,330	139,077
ALL AGES	6,346,105	6,425,211	6,503,165	6,580,936	6,658,532	6,735,706	6,812,005	6,887,572	6,962,031	7,035,572	7,108,031

Source: The University of Tennessee Center for Business and Economic Research Population Projection Data Files, Reassembled by the Tennessee Department of Health, Division of Policy, Planning and Assessment.

Note: These data will not match the University of Tennessee data exactly due to rounding.

April 25, 2016

11. Describe all alternatives to this project which were considered and discussed, including advantages and disadvantages of each alternative including but not limited to:

- a. A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.

After compiling all of the facts, it was decided that the best alternative would be to add ten (10) additional beds to the existing 94 bed NHC HealthCare, Cookeville. This proposal will allow NHC HealthCare, Cookeville to meet the long-term care needs of the residents of Putnam County and continue to offer the medical community, as well as others, access to a convenient high quality provider that will help to ensure continuity of care for its patients in the coming years.

- (a) Do nothing. This option was rejected based on the centers occupancy and growing demand for our services. The center badly needs to offer private rooms to our patients. This option would not allow our center to modernize and offer patients and families the type of amenities they look for when evaluating a long term care facility. Our desire is to continue to serve the local hospitals and Putnam County residents' health care needs for years to come.
- (b) Request more than 10 beds. This proposal was considered but rejected because the proposed ten (10) beds with allow an efficiency of operation and design by bringing the center closer to a 60 bed standard. The projected need in Putnam County is for an additional 166 Medicare beds in 2018.
- (c) Request fewer than 10 beds. This proposal was considered but rejected based on project financial feasibility and our goal to increase operational efficiency. To accommodate the projected growth and need for skilled beds for the year 2018, additional beds should be added. The bed need projected by the new Nursing Home Services, Certificate of Need Standards and Criteria shows a need for 166 additional skilled beds by year 2018. Our request is for 10 beds to open by middle 2017.
- (d) Add 10 new Medicare beds to the existing 94 bed center along with the addition of 24 private rooms and new therapy space, renovation of the kitchen and other ancillary areas and a new storage building. This proposal was considered and accepted. The proposed project will be able to use existing resources and continue to offer the skilled nursing services. The centers site is in an area of town which offers good access to other areas of Putnam County. This proposal is being pursued because it meets the projected needs and orderly development of the health care community in Putnam County.
- b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.

NHC has chosen an alternative that relies on both renovation and new construction by deciding to utilize existing space within NHC HealthCare, Cookeville and to renovation existing center space. Since the center was originally constructed in 1975, there are areas of the building and the original design that can and will be addressed as part of this project that will bring the center up to today's consumer expectations and demands.

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2. **Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.**

National Health Corporation is requesting the authority to add 10 new Medicare SNF nursing home beds to an existing 94 bed nursing home center located in the Cookeville, Tennessee market. The results are seen to have positive effects for both the long-term care industry and the growing aging population in Putnam County.

National HealthCare Corporation is one of the largest providers of post-acute care beds and services in the State of Tennessee, of which National Health Corporation is a subsidiary. NHC HealthCare, Cookeville is committed to providing the highest quality of care at maximum efficiency. Through the proposed project, NHC will continue with its commitment to improve both efficiency and care in Putnam County.

This project will serve as an expansion of needed skilled nursing home beds and services to the residents of Putnam County. The proposed project will serve as a referral source for home health agencies, assisted living centers, doctors and area hospitals. This project will not have negative effects on the health care system of duplication or competition because the 10 beds represent only a fraction of the 166 beds projected in the State's formula to be needed by 2018 in Putnam County. In addition, these beds will serve the growing quality care long term care bed needs in the acute care delivery system.

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11:01 am

**5. Section C., Need, Item I.a. (Nursing Home-Service Specific Criteria-)
Nursing Home Occupancy, A.4.**

The table (Putnam County Nursing Home Occupancy) on page 21 is noted. However, the applicant based the 2014 occupancy of Signature Healthcare of Putnam County on 3 months of data, but lists a reporting period of four months (1/1/14-4/30/14). Please clarify.

Please see the revised pages 21 and 41 which reflects the corrected statement of four (4) months of data.

It is noted "Signature Healthcare of Putnam County" is listed as "Kindred Transitional Care and Rehabilitation-Masters" in the Joint Annual Reports. Please clarify.

Please note that Signature Healthcare of Putnam Co. reported a change of ownership on 5/1/14 from the previously licensed Kindred Transitional Care and Rehabilitation-Masters.

Please clarify the statement on page 22 that reads "Bethesda Health Care Center has reported a lower occupancy rate that appears to be centered around a 2013 survey where Standing Stone received 11 deficiencies which exceeds both the Tennessee and federal average of number of deficiencies".

Please note that a portion of the sentence was not printed. The corrected statement should read:

Bethesda Health Care Center's reported lower occupancy rate in 2014, could in part, be centered around a 2013 survey where Bethesda received 11 deficiencies which exceeds both the Tennessee and federal average of number of deficiencies.

April 25, 2016**11:01 am**

4. **Existing Nursing Home Capacity:** In general, the Occupancy Rate for each nursing home currently and actively providing services within the applicant's proposed Service Area should be at or above 90% to support the need for any project seeking to add new nursing home beds within the Service Area and to ensure that the financial viability of existing facilities is not negatively impacted.

When considering replacement facility or renovation applications that do not alter the bed component within the Service Area, the HSDA should consider as the primary factor whether a replacement facility's own occupancy rate could support its economic feasibility, instead of the occupancy rates of other facilities in the Service Area.

So noted by the applicant. The following bed inventory was reported to the Department of Health for year ending 12/31/12 through 12/31/14 for Putnam County.

**Putnam County Nursing Homes Occupancy
2012 - 2014**

NURSING HOMES	2016 Licensed Beds	2012 Occupancy	2013 Occupancy	2014 Occupancy
Bethesda Health Care Center	120	73.3%	90.6%	65.2%
NHC HealthCare, Cookeville	94	96.8%	87.9%	92.3%
Signature Healthcare of Putnam County*	175	96.4%	92.8%	91.1%
Standing Stone Care and Rehabilitation Center	115	79.5%	80.7%	82.8%
Total	504	87.1%	88.6%	82.9%

* Formerly Kindred Transitional Care. CHOW effective 5/1/14 to Signature Healthcare. Kindred reported data from 1/1/14 - 4/30/14. Occupancy is based on 4 months of data.

Source: 2012 - 2014 JAR Reports Utilization

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5. Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.

The following bed inventory was reported to the Department of Health for year ending 12/31/12 through 12/31/14 for Putnam County. In addition, there are no approved or outstanding CON's for nursing home beds in Putnam County.

**Putnam County Nursing Homes Occupancy
2012 - 2014**

NURSING HOMES	2016 Licensed Beds	2012 Occupancy	2013 Occupancy	2014 Occupancy
Bethesda Health Care Center	120	73.3%	90.6%	65.2%
NHC HealthCare, Cookeville	94	96.8%	87.9%	92.3%
Signature Healthcare of Putnam County*	175	96.4%	92.8%	91.1%
Standing Stone Care and Rehabilitation Center	115	79.5%	80.7%	82.8%
Total	504	87.1%	88.6%	82.9%

* Formerly Kindred Transitional Care. CHOW effective 5/1/14 to Signature Healthcare. Kindred reported data from 1/1/14 - 4/30/14. Occupancy is based on 4 months of data.

Source: 2012 - 2014 JAR Reports Utilization

April 25, 2016**11:01 am**

6. Section C., Need, Item I.a. (Nursing Home-Service Specific Criteria-) Adequate Staffing, A.9.

Please clarify the reason registered nurses will not be added as a result of adding 10 skilled nursing beds.

The existing center presently staffs the center with an RN 24 hours a day, 7 days a week, 365 days a year. In addition to this RN staffing, the center also staffs RNs in the following positions

DON	40 hours/week
ADON	40 hours/week
Falls/Wound Care Nurse	40 hours/week
MDS Coordinator	60 hours/week

Based upon existing RN staffing, center management believes there is adequate RN staffing, and no additional RN's are needed for this 10 bed addition.

Please note, Year 2 Direct Nursing Hours PPD is 4.13

April 25, 2016**11:01 am**

7. Section C., Need, Item I.a. (Nursing Home-Service Specific Criteria-) Quality Control and Monitoring, A.12.

The NHC Quality Improvement Program Manual is noted in the Attachments. Please clarify why it was last revised on December 20, 2011. How often is the Quality Improvement Program Manual reviewed to include requirements in the Affordable Care Act?

NHC uses “The Model for Improvement” as the basis for our QI Program. This framework is timeless. We adjust our practices to incorporate specific regulations when guidelines are finalized. The ACA of 2010 led CMS to launch a prototype QAPI, a demonstration project, which resulted in publication of a generalized framework and various resources in 2013. It was not until July 2015 that proposed rules (that include QAPI) were published (final rules are expected in 2016).

NHC center partners have been and continue to be focused on quality improvement. The manual will be modified when regulations are finalized but the core of quality improvement and the NHC process remain valid.

April 25, 2016**11:01 am****8. Section C. (Need) Item 4 (Population Demographics)**

Your response to this item is noted. Using population data from the Department of Health, enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, please complete the following table and include data for each county in your proposed service area.

<i>Variable</i>	<i>Putnam County</i>	<i>Tennessee</i>
<i>Current Year (CY), Age 65+</i>		
<i>Projected Year (PY), Age 65+</i>		
<i>Age 65+, % Change</i>		
<i>Age 65+, % Total (PY)</i>		
<i>CY, Total Population</i>		
<i>PY, Total Population</i>		
<i>Total Pop. % Change</i>		
<i>TennCare Enrollees</i>		
<i>TennCare Enrollees as a % of Total Population</i>		
<i>Median Age</i>		
<i>Median Household Income</i>		
<i>Population % Below Poverty Level</i>		

Please see the attached table.

SUPPLEMENTAL #1**April 25, 2016****11:01 am**

<i>Variable</i>	<i>Putnam County</i>	<i>Tennessee</i>
2016, Age 65+	13,677	1,091,516
2018, Age 65+	14,706	1,175,143
Age 65+, % Change	7.52%	7.66%
Age 65+, % Total (2016)	17.94%	16.88%
2016, Total Population	79,658	6,812,005
2018, Total Population	81,972	6,962,031
Total Pop. % Change	2.90%	2.20%
TennCare Enrollees (2016)	17,977	1,525,548
TennCare Enrollees as a % of Total Population (2016)	22.57%	22.39%
Median Age (2014)	36.3	37.4
Median Household Income (2010-2014)	34,780	44,621
Population % Below Poverty Level (2008-2012)	20.8%	18.3%

Source: TN Health Statistics, US Census Bureau and TennCare Enrollment

April 25, 2016**11:01 am****9. Section C, Need, Item 5.---Nursing Homes**

Please complete the following chart for all Putnam County nursing homes:

Service Area Nursing Home Utilization –2014 JAR

Facility	Lic. Beds	SNF Beds- Medicare	SNF Beds- Medicare/ Medicaid	Other Lic. Beds	SNF Medicare ADC	SNF Medicaid ADC	NF ADC	Total ADC
Total								

Please see the attached completed table.

**Putnam County Nursing Homes
2014**

	NURSING HOMES	Licensed Beds	SNF Beds - Medicare	SNF Beds Medicare/ Medicaid	Other Licensed Beds	SNF Medicare/ Level II ADC	SNF Medicaid ADC	NF-ADC	Total ADC
1	Bethesda Health Care Center	120	0	120	0	28	0	50	78
2	NHC HealthCare, Cookeville	94	0	94	0	24	0.4	62	87
4	Signature Healthcare of Putnam County*	175	0	175	0	23	3.4	132	160
5	Standing Stone Care and Rehabilitation Center	115	0	115	0	25	0	70	95
	TOTAL	504	0	504	0	100	3.9	315	420

* Formerly Kindred Transitional Care. CHOW effective 5/1/14 to Signature Healthcare.
Kindred reported data from 1/1/14 - 4/30/14. Occupancy is based on 4 months of data.

Source: 2014 TN JAR Summary Reports

SUPPLEMENTAL #1

April 25, 2016

11:01 am

April 25, 2016

11:01 am

10. Section C., Need, Item 6

Please indicate if the applicant has documentation from referral sources to support projected utilization in Year One and Year Two of the proposed project.

Utilization projections have been based on historical admission data, local physician support based on past referrals and physician support letters, and the historical and projected acute care discharges to NHC Cookeville from acute care providers as documented in the original CON application on page 92a-92b. This referenced information, along with the documented growing elderly population of Putnam County all help to indicate how the center plans on supporting the 10 additional beds requested.

11. Section C, Economic Feasibility, Item 1

Please briefly discuss the \$575,000 preparation of site cost.

Please note that site costs are estimated costs for land development including demolition, grading, and utility installation, paving and sidewalks.

12. Section C, Economic Feasibility, Item 1 and 2

The Project Costs Chart indicates Interim Financing in the amount of \$92,765. If this facility is being financed through cash reserves why are there finance charges?

NHC will finance the project through cash reserves. This method of finance has costs associated to the funds used. NHC lends the project capital and charges each project an imputed cost of capital. Interim financing reflects this cost.

13. Section C, Economic Feasibility, Item 3

Please complete the following table:

	Renovated Construction	New Construction	Total Construction
Square Feet	2,646	16,400	19,046
Total Cost	\$154,531	\$2,868,960	\$3,023,491
Cost Per Square Foot	\$58.40	\$174.94	\$158.75

14. Section C, Economic Feasibility, Item 4 Historical and Projected Data Charts

It is noted the applicant placed the amounts under "C. Deductions for Operating Revenue" in parenthesis in the Historical and Projected Data Charts indicating a negative amount for each line item. However, if the amount is not a negative amount, please remove the parenthesis in the charts and submit revised charts.

The amounts reflected under "C. Deductions for Operating Revenue" are negative amounts. These amounts are deductions from revenue, thus they are reflected as negative amounts.

15. Section C, Economic Feasibility, Item 6

The applicant provided proposed patient charges for Managed Care, Medicare, and Private Pay plans. However the applicant plans to be dually certified. If so, please explain why TennCare patient charges were not also included.

The applicant did not provide any TennCare patient charges for the proposed 10 bed addition since the applicant is reflecting only Medicare revenue or revenue from Managed Care. The applicant does not anticipate any charges and/revenue from TennCare for the 10 bed addition.

April 25, 2016**11:01 am****16. Section C, Economic Feasibility, Item 9**

Please calculate the estimated dollar revenue and percentage of gross revenue anticipated from TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.

Gross Revenue	Amount	Percentage
Medicare	1,565,102	79.23%
TennCare	0	0%
Managed Care	409,778	20.75%
Other Revenue	444	0.02%
Total	\$1,975,324	100%

It is noted in the 2014 Nursing Home JAR summary report NHC Cookeville received \$4,333,565 in TennCare gross revenue. Please indicate the percentage of 2014 total gross revenue TennCare revenue represented in 2014.

Gross revenue per the 2014 JAR is \$10,922,317. Thus, the percentage of gross TennCare revenue to total revenue is 39.7%

Also, please explain why the applicant received a sizeable amount of TennCare gross revenue in 2014, but did not project any TennCare gross revenue for the proposed 10 bed addition.

The applicant did not project any TennCare gross revenue for the proposed 10 bed addition since the applicant is reflecting only Medicare revenue or revenue from Managed Care. The applicant does not anticipate any revenue from TennCare for the 10 bed addition.

April 25, 2016**11:01 am****17. Section C, Economic Feasibility, Item 10**

The consolidated Balance Sheets for National Healthcare Corporation in the attachment are noted. However, please explain why cash and cash equivalents decreased from \$69,767,000 in 2014 to \$38,208,000 in 2015. Also, please explain why there were deferred income taxes paid in the amount of \$35,506,000 in 2014 and none paid in 2015.

The decrease in cash and cash equivalents was due to the redemption on November 3, 2015, of the Company's Series A Convertible Preferred Stock. The funding for the redemption was partially funded with cash on hand.

In November 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-17, "Income Taxes" which requires that deferred tax assets and liabilities be "netted" and classified as noncurrent in a classified balance sheet. Therefore, the computation of the Company's deferred taxes did not change, but the presentation on our balance sheet is what changed. Prior to the issuance of the standard, deferred tax assets and liabilities were required to be separately classified (record both assets and liabilities) into a current amount and a noncurrent amount in the balance sheet. The Company adopted this guidance as of December 31, 2015 and applied the guidance prospectively to the 2015 presentation. Because the application of this guidance affects classification only, such reclassifications did not have a material effect on the Company's consolidated financial position or results of operations.

April 25, 2016**11:01 am****18. Section C, Orderly Development, Item 4**

The table in the attachments on page 197 is noted. However, the applicant calculated 10.55 FTEs on 8 beds rather than 10 as reflected in the chart. Please clarify.

Please see revised chart reflecting 10 beds rather than 8 beds.

April 25, 2016**11:01 am****NHC HealthCare, Cookeville
10 Bed Addition****Staffing - Full Time Equivalents
Year 2**

	<u>10 Beds</u>
Administrator	
Medical Director	*
Secretary	
Receptionist	
Bookkeeper	
RN's	
LPN's	2.80
Aides	4.00
DON	
Nursing Supply Clerk	
Nursing Secretary	
MDS Coordinator	
Alzheimer Nursing Coordinator	
ADON	
Rehab Aides	
Assisted Living	
Medical Records - Head	
Medical Records - Staff	0.25
Speech Therapy	*
Occupational Therapy	*
Physical Therapy	*
Dietary	1.05
Laundry	0.35
Housekeeping	2.10
Maintenance - Dept Head	
Maintenance - Staff	
Other (spec.)	
Activities - Dept Head	
Activiteis - Alzheimer	
Activities Staff	
Social Services - Dept Head	
Social Services - Staff	
Total	<u>10.55</u>

* Consultants

April 25, 2016

11:01 am


AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF Rutherford

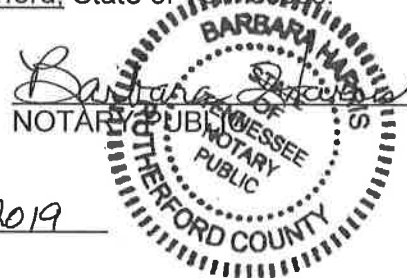
NAME OF FACILITY: National HealthCare Corporation d/b/a NHC HealthCare, Cookeville

I, Bruce K. Duncan, being first duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.



Signature/Title Assistant Vice President

Sworn to and subscribed before me, a Notary Public, this the 22nd day of April, 2016,
witness my hand at office in the County of Rutherford, State of Tennessee.



My commission expires 9-25, 2019

HF-0043

Revised 7/02

ADDITIONAL INFORMATION
-COPY-

NHC HealthCare Cookeville
CN1604-014



NATIONAL HEALTHCARE CORPORATION

April 27, 2016

Phillip M. Earhart
Health Services Development Examiner
State of Tennessee
Health Services & Development Agency
Andrew Jackson State Office Building, 9th floor
502 Deaderick Street, Nashville, TN 37243

RE: Certificate of Need Application CN1604-014 (Omission Response II) Putnam
County, TN – NHC HealthCare, Cookeville

Dear Mr. Earhart:

Enclosed please find the additional information to the above referenced CON
application and supplemental request. This information has been submitted in triplicate

If there are any questions, please do not hesitate to contact me at 615-890-2020.

Sincerely,

NATIONAL HEALTHCARE CORPORATION

A handwritten signature in black ink, appearing to read "Bruce K. Duncan", with a long horizontal line extending to the right.

Bruce K. Duncan
Assistant Vice President & Authorized Representative for CN1604-014

Enclosure

Putnam County Nursing Homes 2014

	NURSING HOMES	Licensed Beds	SNF Beds - Medicare	SNF Beds Medicaid	Other Licensed Beds	SNF Medicare/ Level II ADC	SNF Medicaid ADC	NF-ADC	Total ADC
1	Bethesda Health Care Center	120	0	120	0	28	0	50	78
2	NHC HealthCare, Cookeville	94	0	94	0	24	0.45	62	86.45
4	Signature Healthcare of Putnam County*	175	0	175	0	23	3.4	131.9	158.30
5	Standing Stone Care and Rehabilitation Center	115	0	115	0	25	0	70	95
	TOTAL	504	0	504	0	100	3.85	314	417.85

* Formerly Kindred Transitional Care. CHOW effective 5/1/14 to Signature Healthcare.
Kindred reported data from 1/1/14 - 4/30/14. Occupancy is based on 4 months of data.

Source: 2014 TN JAR Summary Reports

SQUARE FOOTAGE AND COST PER SQUARE FOOTAGE CHART

A. Unit / Department	Existing Location	Existing SF	Temporary Location	Proposed Final Location	Proposed Final Square Footage			Proposed Final Cost/ SF		
					Renovated	New	Total	Renovated	New	Total
Admin		1,480								
Kitchen		889			96		96			
Employee Break		119								
Laundry		467								
Storage/Central Supply		383				250	250			
Housekeeping		83								
Classroom										
Beauty/Barber										
PT/OT/Speech		759				2,000	2,000			
Nursing Support		1,303				825	825			
Dining/Rec		1,732				796	796			
Sun Porch										
Public/Staff Toilets		225				56	56			
Patient Rms & Baths		12,351			2,550	6,977	9,527			
B. Unit/Depart. GSF Sub-Total		19,791								
C. Mechanical/ Electrical GSF		355				417	417			
D. Circulation /Structure GSF		9,140				2,879	2,879			
Sub-Total					2,646	14,200	16,846			
Office/Storage Building						2,200	2,200			
E. Total GSF		29,286			2,646	16,400	19,046	\$58.40	\$ 174.94	\$158.75

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF Rutherford

NAME OF FACILITY: National Health Corporation d/b/a NHC HealthCare, Cookeville

I, Bruce K. Duncan, being first duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.



Assistant Vice President

Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 26th day of April, 2016, witness my hand at office in the County of Rutherford, State of Tennessee.



NOTARY PUBLIC

My commission expires 11/18, 2018

HF-0043

Revised 7/02

